



Poly Medicure Limited

# ANNUAL REPORT 2019 - 20

# Corporate Information

## Board of Directors

### Chairman

Devendra Raj Mehta

### Non-Executive Independent Directors

Prakash Chand Surana

Shailendra Raj Mehta

Sandeep Bhargava

### Non-Executive Directors

Jugal Kishore Baid

Mukulika Baid

Alessandro Balboni

### Additional Director

Amit Khosla

Sonal Mattoo

### Managing Director

Himanshu Baid

### Joint Managing Director

Rishi Baid

## Company Secretary

Avinash Chandra

## Chief Financial Officer

J.K. Oswal

## Bankers

State Bank of India

Citibank N.A.

The Hongkong and Shanghai Banking Corp. Ltd.

HDFC Bank Ltd.

## Auditors

M/s. M.C. Bhandari & Co.

204, Second Floor, Manisha Building,

75-76, Nehru Place, New Delhi-110019

New Delhi

## Internal Auditors

M/s. Oswal Sunil & Company, New Delhi

M/s. Price Water House Coopers Pvt. Ltd., New Delhi

## Cost Auditors

M/s. Jai Prakash & Co.

Faridabad

## Secretarial Auditors

M/s. P.K. Mishra & Co.

New Delhi

## Registrar and Transfer Agents

MAS Services Limited,

T-34, 2nd Floor,

Okhla Industrial Area, Phase-II,

New Delhi-110020

Tel:+ 91(011)-26387281/82

Fax No. 011- 26387384

E-mail: mas\_serv@yahoo.com

Website: www.masserve.com

## Registered Office

232B, 3rd Floor, Okhla Industrial Estate, Phase III

New Delhi – 110020 (India)

Tel No.: 91 11 - 26321838, 81, 89, 93

Fax No.: 91 11 – 26321839, 94

Email: investorcare@polymedicure.com

Website: www.polymedicure.com

CIN: L40300DL1995PLC066923

## AGM Venue

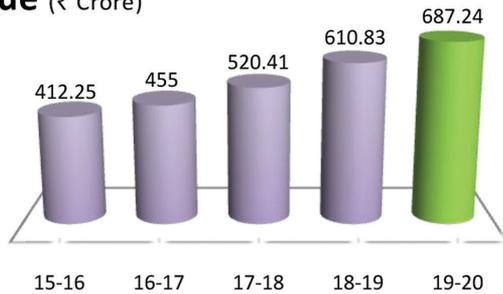
Video Conferencing (VC) or Other Audio Video Means (OAVM)

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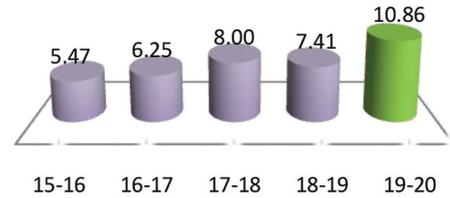
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## Key Performance Indicators (Consolidated):

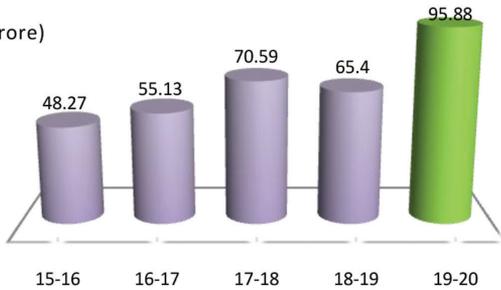
**Revenue** (₹ Crore)



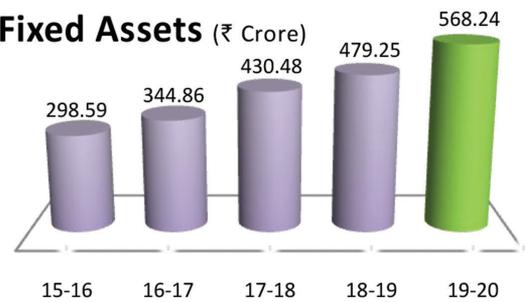
**EPS** (₹) Adjusted with bonus



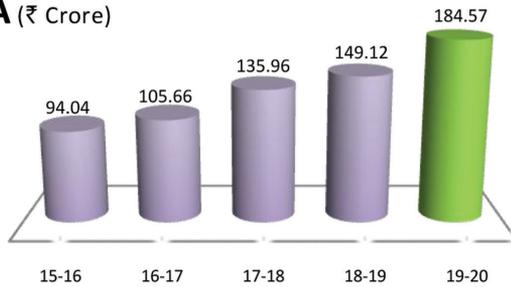
**PAT** (₹ Crore)



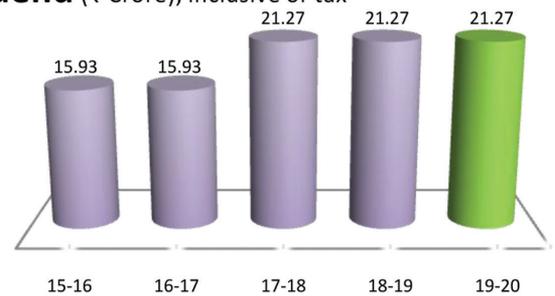
**Gross Fixed Assets** (₹ Crore)



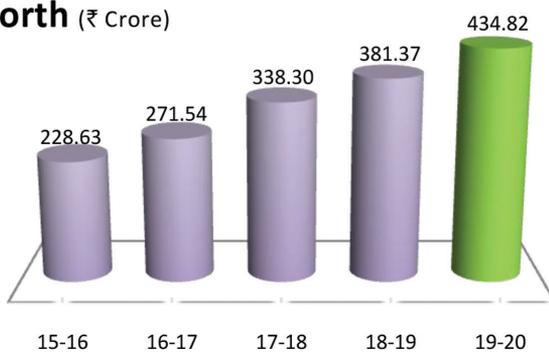
**EBITDA** (₹ Crore)



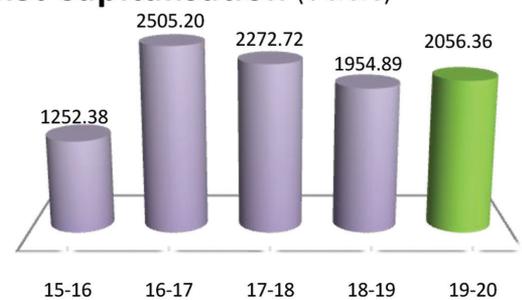
**Dividend** (₹ Crore), inclusive of tax



**Net Worth** (₹ Crore)



**Market Capitalisation** (₹ Crore)



Note: Details of Financial Year 2019-20, 2018-19, 2017-18 & 2016-17 are as per IND-AS and Financial Year 2015-16 are as per IGAAP

## Awards and Recognitions



“Polymed among the Top 25 Innovative Companies in 2019” Awarded  
“Industrial Innovation Award” by CII on 18<sup>th</sup> December 2019 at Hotel Ashok, New Delhi,



Poly Medicure Ltd has received the Export Award in the Plastic Medical Disposables/surgical items (incl syringes) Category.

## Participation in Various Exhibitions outside India



Exhibition 2019, Russia



Hospitalar 2019, Brazil



Arab Health 2020, Dubai



Medica 2019, Germany

# Global Product Trainings to Business Partners & Hospitals



Product Training in Europe



Product Training in Europe



Product Training in South East Asia



Product Training in Middle East

## Clinical Engagement Programme Conducted in Various Hospitals in India



Apollo Hospital (Ludhiana)



Synergy Hospital (Rajkot)



Jubilee Mission Hospital, Kerala



Zydus Hospital, Ahmedabad



Bombay Hospital, Mumbai



Dharamshila Hospital, Delhi

## Participation in Various Exhibitions and Conference in India



ISNCON Fair, Chandigarh



ISACON, Bangalore



INS Conference, Chennai



International Nurses Day

## New Product Launches in F.Y. 2019-20



Ventilator Circuit Combo Kits



Bain Circuits



High Pressure Vaccum Bottle-Triplet



Safety Introducer Needles



Blood Control Safety IV Cannula - 3<sup>rd</sup> Generation

## Highlights of CSR Initiatives



Donated Books & Uniforms to students of 65 schools in Jaipur



Physiotherapy centre inauguration by Shree Ashok Gahlot Chief Minister of Rajasthan at Jamdoli Jaipur



Distribution of Sanitary pad cutting machines at various govt. schools in Rajasthan



Support to Bhagvaan Mahaveer International Organisation in Jaipur



Sanitary Napkin Distribution



Note Books were distributed to students in Government School of Deeg, Sotai, Sagarpur, Mahawatpur & Sahupura at Faridabad



Printers were distributed in Govt. Schools in Faridabad



Providing financial Aid for construction of toilets in Govt. Schools in Faridabad Area



Sweaters were distributed to Students in Government Schools of Faridabad Region



Donated Blankets, Quilts at Baudhik Divyang Kendra in Jaipur

## Financial Highlights (Standalone)

(₹ in lacs)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Revenue from Operations (Net)	64616.24	58,669.05	50,969.93	44,635.32	39,447.84
Total Revenue	66,474.62	60,253.03	52,406.88	45,970.78	40,286.34
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	17,872.27	14,814.93	13,425.76	10,571.18	9,284.65
Depreciation and Amortisation	3,928.43	3,636.39	2,840.66	2,295.51	2,018.79
Exceptional Income	-	-	-	-	-
Profit For the Year (PAT)	9,238.28	6,628.39	7,019.83	5,619.93	4,730.74
Equity Dividend %*	40%	40%	40%	30%	30%
Dividend (including tax)	2127.57	2127.57	2127.24	1,592.82	1,592.82
Equity Share Capital	4,412.35	4,411.85	4,411.34	4,411.34	2,205.67
Reserves and Surplus	38,516.08	33,566.14	29,039.90	22,506.33	20,177.89
Net Worth	42,928.43	37,977.99	33,451.24	26,917.67	22,383.56
Gross PPE	54,730.76	46,090.17	41,728.70	33,347.17	28,845.98
Net PPE	32,106.80	26,854.00	25,608.79	20,049.12	17,725.00
Total Assets	73,995.36	63,315.23	55,463.35	44,886.01	37,585.03
Number of Employees	2034	1952	1926	1661	1594

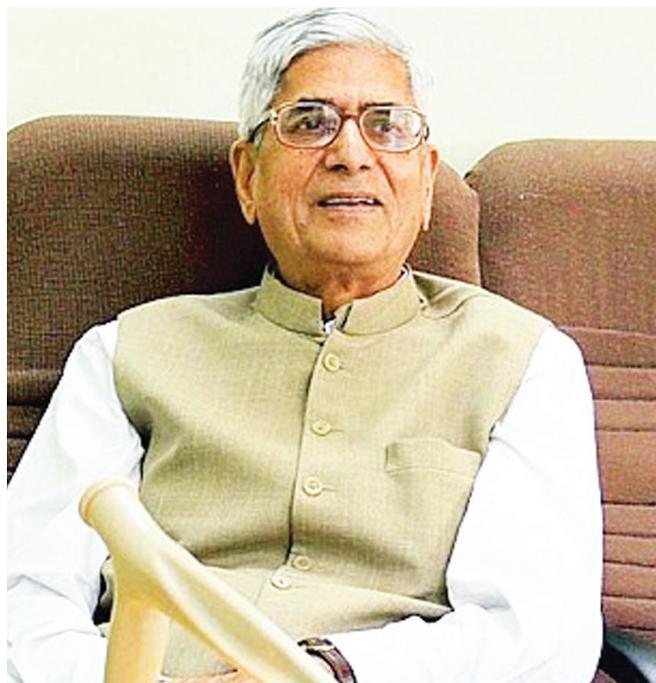
## Key Indicators

	2019-20	2018-19	2017-18	2016-17	2015-16
Earnings Per Share - (₹)*	10.47	7.51	7.96	6.37	5.36
Cash from Operations per share (₹)*	14.38	12.83	8.55	6.24	7.01
Book Value Per Share - (₹)*	48.65	43.04	37.92	30.51	25.63
Debt : Equity Ratio	0.44:1	0.40:1	0.38:1	0.36:1	0.35:1
EBDIT/ Net Turnover %	26.89%	24.59%	25.62%	23.00%	23.05%
Net Profit Margin %	13.90%	11.00%	13.39%	12.23%	11.74%
RONW %	21.52%	17.45%	20.99%	20.88%	20.92%

\*Adjusted for issue of Bonus Share in 2016-17 in the ratio of 1:1

Note: Details of Financial Year 2019-20, 2018-19, 2017-18 & 2016-17 are as per IND-AS and Financial Year 2015-16 are as per IGAAP

## LETTER FROM THE CHAIRMAN



Dear Shareholders,

I am pleased to present to you the Annual Report for FY 2019-20 of your Company. Through host of strategic initiatives like enhancement of operational efficiency and optimization of raw material consumption, addition of new customers, investments in R&D initiatives, automation of processes, energy efficiency led to improved performance of the company for the year under review.

We were marginally impacted by the lockdown enforced due to COVID-19 pandemic and part of operations were shut down in last two weeks of March 2020.

The Company has taken adequate steps for safe guarding its employees while ensuring continuity in operations going forward. Complete social distancing norms are being followed at all plants and offices of the company. We will continue to leverage our strength of adaptability and agility.

The demand of some of the products of the company slowed down due postponement of the elective surgeries in the hospitals but the company very quickly developed new products which helped it to maintain reasonable sales during this period.

I would like to share with you the brief data related to the turnover and profitability during the year under review. Your Company has achieved net sales of ₹ 687.24 Crores as against the net sales of ₹ 610.83 Crores in the previous financial year, which has registered a growth of 12.5% from last financial year to current financial year. EBITA has increased to ₹ 184.57 Crores as from ₹ 149.12 Crores in the preceding year. During the same period, we have achieved profit after tax of ₹ 95.88 Crores.

I am also happy to share with you that your Company received the “**CII Industrial Innovation Award 2019**” as one of the Top 25 Innovative Companies in India by Confederation of Indian Industry (CII). Your company continues to prove its mantle in export market and has received the **Top Export Award 8<sup>th</sup> year in a row** by Plastic Export Promotion Council for Disposables Medical Devices. Your Company also received **Export Excellence Award** from EEPC India.

COVID-19 pandemic is opening newer opportunities for your company in terms of new product ideas. Your company plans to work closely with the academia and institutions to develop cost effective high quality medical devices. New opportunities are continuously being ideated and explored. Technological advancement and expertise coupled with government support has proved to be advantageous for the sector in last few years. Governments new schemes will encourage manufacturing in India and will help us reduce the import dependency.

Given your companies inherent strengths and its financial stability, I am confident that it will emerge stronger from this unprecedented global crisis.

Our CSR Policy covers almost every area of social advancement and development, livelihood, education, sanitization, malnutrition and providing of safe drinking water for the mankind.

The Company has supported many NGOs, fed poor people, donated medical supplies and COVID prevention related products to the healthcare fraternity.

I am pleased to report that your company has taken rapid strides in its sustainability journey. Over the last few years your company has worked in the areas of water consumption reduction, effluent reduction, energy consumption reduction. The company will continue to invest in newer initiatives to reduce its carbon footprint.

The real challenge would be in the coming months, where we must find ways to understand and respond to the gradually evolving dynamics of the new normal. Though there could be difficulties, your Company will overcome the downtrends by maintaining deep relationships with customers, suppliers and other stakeholders. As we look to the year ahead, I have confidence that POLYMED will continue to be admired as a reliable and trusted Company for supply of Medical Devices.

The members of the Board continue to be a great source of encouragement and support to the Company's management team. I thank them for their involvement, support and guidance.

I also take this opportunity to express my gratitude to all of you, our esteemed and valued shareholders, for your continued support and confidence you have reposed in the Company.

On behalf of the Board, I would also like to thank all our stakeholders, partners, customers, bankers and employees for their continued support in building POLYMED as a world class organization.

With Warm Regards

D. R. Mehta  
Chairman

New Delhi  
30<sup>th</sup> July, 2020

## LETTER FROM MANAGING DIRECTOR



I am pleased to inform you that as per our new strategic initiatives under POLYMED 2.0, we have realigned your companies Mission, Vision and Values:

### Vision:

- Serve People through Innovative Healthcare solutions.

### Mission:

- We create value for our stakeholders by providing patient centric Technology for a Healthier world.

### Values:

- Integrity
- Ownership
- Care
- Learning
- Inclusivity

These new Vision, Mission and Values will help us to realign ourselves with the changing environment around us in Medical technology space and take your company into the next orbit.

With excellence in R&D, innovations and quality, we were able to manufacture best-in-class high quality and affordable cost products to the domestic as well as export markets.

### COVID-19 Impact

COVID-19 pandemic has greatly increased the spotlight on MedTech industry. There has been a positive impact of the

COVID-19 pandemic on your company. R&D Team worked round the clock to develop new products in a short period which allowed company to be at the forefront of the crisis.

Newly developed products like Viral Transport Medium kits, Masks, Ventilator accessories have found great acceptance in the market.

The Company's operations were impacted for initial few days during the lockdown period. As transportation networks came to a complete halt, we were not able to ship products to customers in last 2 weeks of March and first 2 weeks of April 2020. Since then the operations has stabilized.

We are maintaining all social distancing norms at our various manufacturing plants and work places to ensure safety and well-being of our employees.

Your Company was able to quickly turn to digital technology and analytics which guided us to prepare for new ways of empowering the team and serving our customers. New internal training programs were conducted to upskill our workforce with clinical and product knowledge.

This situation also gave us an opportunity to engage digitally with the healthcare community by means of webinars. These virtual programs enabled us to build online learning events aimed at imparting knowledge and skills to different set of healthcare professionals.

The novel coronavirus outbreak had managed to teach us the importance of local manufacturing, local market, and local supply chain. The government's new mantras "Vocal for Local" and "Atma-nirbharBharat" are opening new opportunities in the Indian Medical Devices Sector.

### Financial Performance

I would like to share with you the financial performance of your Company for the financial year ending 31 March, 2020.

Your Company has achieved net sales of ₹ 687.24 Crores as against the net sales of ₹ 610.83 Crores in the previous financial year. EBITDA improved to ₹ 184.57 Crores from ₹ 149.12 Crores in the preceding year which translates into a rise of 23.77%. Profit before Tax is ₹ 125.72 Crores as against ₹ 100.07 Crores representing a growth of 25.63% over the previous year.

**Dividend Outlook**

Your Company has maintained reasonable profitability and continued the practice of rewarding its stakeholders. The interim dividend of Rs. 2.00 per share declared by The Board in its meeting held on 18th February 2020 shall be considered as the final dividend for the Financial Year ended on 31<sup>st</sup> March 2020.

**Business Outlook**

A transforming medical technology landscape, improving healthcare delivery and financing mechanisms, and changing patient profile are driving growth in the medical device industry. It has seen tremendous growth over the last decade and the current development trends indicate even greater potential in the coming years. Some of the growth drivers includes:

- Increased Public Spending in Healthcare
- Economic growth leading to higher disposable incomes
- Increased Penetration of Health Insurance
- Increased Private Investment in Healthcare
- Public Private Partnership (PPP) route to Innovation
- Emergence of new models of healthcare delivery

Government of India has introduced significant reforms further MedTech Sector in last few years. Currently over 70% of the Medical Devices are still imported into our country and government recognizes this concern and has recently announced PLI Scheme for domestic manufacturing and has also announced setting up of 4 new Medical Devices parks.

Your Company continues to focus on Vascular Access, Transfusion, Diagnostics, Renal Care and Respiratory care products. The company is also launching Dialysis Machines and some other allied equipments in current financial year.

Your Company is exploring new opportunities in Europe & USA markets. All new products recently developed by company have received EU approval (CE mark) and will be launched in select markets in next few months. The company is also expanding its distribution network in India to expand its reach across tier 2 and tier 3 cities.

Phase II of IMT, Faridabad plant will be operational by November 2020 and new manufacturing plant in Mahindra SEZ, Jaipur will be operational by January 2021. These two expansion projects will further augment the manufacturing capacities of existing and new products.

Your Company is also investing more in Clinical activities and Product Trainings to further enhance its footprint in domestic as well as export markets. Also new initiatives are been taken to increase the POLYMED brand visibility.

We are planning some new product launches in coming months and there is a great customer interest around these products. Many of these new product ideas are being generated with the help of specialists and Key Opinion Leaders, which will help us to maintain leadership position in Medical technology space in coming years.

**Acknowledgement**

I would like to thank all our valued stakeholders, including our customers, vendors, lenders and shareholders for continuing your support and upholding confidence and trust in us.

I wish safety of all our stakeholders, please maintain social distancing norms.

Himanshu Baid  
Managing Director

New Delhi  
30<sup>th</sup> July 2020

## NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting (AGM) of the members of “**Poly Medicure Limited**” will be held on Tuesday, the 29<sup>th</sup> September, 2020 at 10:00 a.m. (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following businesses:

### Ordinary Business

1. To receive, consider and adopt
  - the Audited Standalone Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2020 together with the reports of the Board of Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020 together with the report of Auditors thereon.
2. To confirm/ratify interim dividend declare for financial year 2019-20.
3. To appoint a Director in place of Shri Rishi Baid (DIN:00048585) who retires by rotation and being eligible offers himself for re-appointment.

### Special Business

4. Approval for Poly Medicure Employee Stock Option Scheme-2020 for the employees of the Company.

To consider and to give assent / dissent for passing the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Share Capital and Debenture) Rules, 2014 read along with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (the “SEBI ESOP Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), Foreign Exchange Management Act, 1999, (“FEMA”) (including any statutory amendment(s), modification(s) or re-enactment of the Act or the SEBI ESOP Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force), the Memorandum and Articles of Association of the Company, any other rules, regulations and guidelines issued by any other regulatory or government authority and subject to

such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms, conditions, modifications and amendments as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any duly constituted committee thereof, including the Nomination and Remuneration Committee (“Remuneration Committee”) or any other committee which the Board may constitute/designate to act as the ‘Compensation Committee’ under the SEBI ESOP Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to introduce and implement the ‘Poly Medicure Employee Stock Option Scheme-2020’ (the “ESOP Scheme”) the salient features of which are furnished in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** consent of the shareholders of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, to or for the benefit of, such persons who are permanent employees of the Company, whether working in India or outside India, and/or to the Directors of the Company, whether whole-time or not but excluding Independent Director(s), (selected on the basis of criteria decided by the Board) under the ESOP Scheme but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his / her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, such number of Stock Options (the “Options” or “Stock Options”) not exceeding 10,00,000 (Ten Lacs) convertible into equivalent number of equity shares (or such other number adjusted for change in capital structure or corporate actions in terms of ESOP Scheme as per applicable law), at such price and on such terms and conditions as may be fixed or determined by the Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act, SEBI ESOP Regulations, Listing Regulations, FEMA (including any statutory amendment(s), modification(s) or re-enactment of the Act or the SEBI

ESOP Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force) and other rules, regulations and guidelines, if any, Memorandum and Articles of Associations of the Company, consent of the shareholders be and is hereby accorded to create, offer, issue and allot at any time 10,00,000 (Ten Lacs) equity shares of Rs. 5/- each (the "Equity Shares") (or such other number adjusted for change in capital structure or corporate actions in terms of ESOP Scheme as per applicable law), upon exercise of Stock Options at such price, in one or more tranches and on such terms and conditions including vesting criteria, as may be fixed or determined by the Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to formulate, evolve, decide upon and implement the ESOP Scheme on the terms and conditions contained therein and stated in the explanatory statement annexed hereto including instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees and Directors of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP Scheme and as the Board may in its absolute discretion think fit, subject to applicable laws and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the ESOP Scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule, vesting conditions, withdraw or revive the ESOP Scheme, as the Board may, in its absolute discretion, think fit, subject to applicable laws.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganisation of capital structure of the Company, as the case may be, the number of Stock Options and/or the shares to be allotted upon exercise of Stock Options shall be reasonably adjusted in accordance with the provisions of the ESOP Scheme and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5/- per Equity Share bears to the revised face value of the Equity Shares of the Company after

such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP Scheme.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company upon the exercise of Stock Options, shall rank pari-passu in all respect including dividend with then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make any variation, amendment, modification or alteration in the ESOP Scheme, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the SEBI ESOP Regulations, Listing Regulations and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the ESOP Scheme.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted under the ESOP Scheme on the Stock Exchanges, where the Equity Shares of the Company are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under SEBI ESOP Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOP Scheme.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things including the appointment of or authorizing or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, merchant bankers, valuers, consultants or representatives, being incidental to the effective implementation and administration of the ESOP Scheme, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the shareholders of the

Company to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOP Scheme and to take all such steps and do all such acts as may be incidental or ancillary thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred herein, to any committee of the Board of Directors, with power to further delegate such powers to any executives/ officers of the Company, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.

5. To consider and if thought fit, to pass with or without any modification the following Resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Amit Khosla (DIN No. 00203571) who was appointed as an Additional Director of the Company with effect from 5<sup>th</sup> June, 2020 under Section 161 of the Act, whose term of office expires on the date of this Annual General Meeting, and the Company has received a notice from a shareholder proposing his candidature for appointment as a director under Section 160, of the Companies Act 2013 be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** Mr. Amit Khosla (DIN No. 00203571), be and is hereby appointed as an independent Director of the Company, to hold office

for 5 (five) consecutive years for a term up to the conclusion of 30<sup>th</sup> Annual General Meeting of the Company.

6. To consider and if thought fit, to pass with or without any modification the following Resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Ms. Sonal Mattoo (DIN No. 00106795) who was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> August, 2020 under Section 161 of the Act, whose term of office expires on the date of this Annual General Meeting, and the Company has received a notice from a shareholder proposing his candidature for appointment as a director under Section 160, of the Companies Act 2013 be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** Ms. Sonal Mattoo (DIN No. 00106795), be and is hereby appointed as an independent Director of the Company, to hold office for 5 (five) consecutive years for a term up to the conclusion of 30<sup>th</sup> Annual General Meeting of the Company.

7. To consider and if thought fit, to pass with or without any modification(s) the following Resolution as **Ordinary Resolution:**

**Ratification of Remuneration to M/s. Jai Prakash & Company, Cost Accountants appointed as Cost Auditors of the Company for the Financial Year 2020-21.**

**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other

applicable provisions, if any, payment of Remuneration of ₹ 50,000/- (plus applicable taxes) to M/s. Jai Prakash & Company, Cost Accountants, who were appointed by the Board of Directors in their Meeting held on 30<sup>th</sup>, July, 2020 for conducting the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March 2021, be and is hereby approved and ratified;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board  
Avinash Chandra  
Company Secretary

Date: 03<sup>rd</sup> September, 2020  
Registered Office:  
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,  
New Delhi -110020.  
CIN: L40300DL1995PLC066923

## Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to pkmishra59@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
6. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors reappointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of special business under item numbers 3, 5 and 6 of the Notice is appended hereto and forms part of this Notice.
7. a) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 23<sup>rd</sup> September, 2020 to Tuesday 29<sup>th</sup> September, 2020 (both days inclusive).  
b) The remote e-voting period commences on Saturday, 26<sup>th</sup> September, 2020 (09:00 am) and ends on Monday, 28<sup>st</sup> September, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2020, may cast their vote by remote e-voting
8. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the ‘Investor Education & Protection Fund (IEPF)’ constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2011-12 has already been transferred to IEPF. Shareholders who have not encashed their dividend warrant(s), for the years 2012-13, 2013-14 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 are requested

to make claim with the Registrar & Share Transfer Agent of the Company immediately.

9. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

In case share are in demat form members are requested to update their bank detail with their depository participant.

The equity share capital of the company is held by 8965 shareholders, out of which 8918 shareholders holding 99.66 % of the capital are in dematerialised form and the balance 47 shareholders holding 0.34% of the capital are in physical form. The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.

10. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
11. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, atleast one week before the meeting.
12. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
13. The documents referred to in the proposed resolutions are available for inspection at its Registered Office

of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.

14. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
15. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 25<sup>th</sup> AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

17. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.
18. Voting through electronic means: In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

**INSTRUCTION FOR REMOTE EVOTING , EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING**

- I. The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- II. Click on “Shareholders” module.
- III. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- IV. Next enter the Image Verification as displayed and Click on Login.
- V. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- VI. If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- VII. After entering these details appropriately, click on “SUBMIT” tab.
- VIII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- IX. For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

- X. Click on the EVSN for the Poly Medicare Limited.
- XI. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XIII. After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XIV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XV. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVI. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVII. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:**

- 1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1<sup>st</sup> shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
- 2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

**INSTRUCTIONS FOR JOINING MEETING THROUGH VC:**

To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on ‘live streaming’ tab and you will be redirected to ‘cisco’ website.

In the “Name” field - Put your USERID as informed in e-mail.

In the “last name” field - Enter your Name

In the “Email ID” field - Put your email ID

In the “Event password” field - Event password “cdsl@1234” prefixed

Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:**

**1. System requirement:**

- ✓ Windows 7, 8 or 10
- ✓ I3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:**

- ✓ Please download webex application from play store

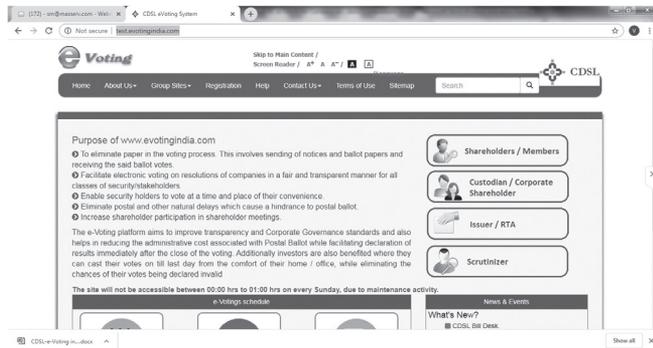
**NOTE : IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.**

**PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC**

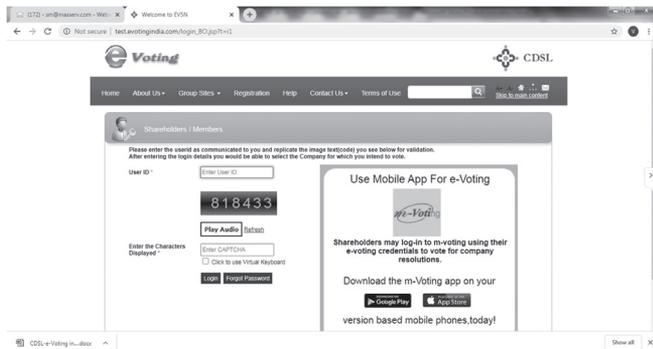
**(EXPLAINED USING SCREENSHOTS):**

- I. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>.

Below screen will be appear.

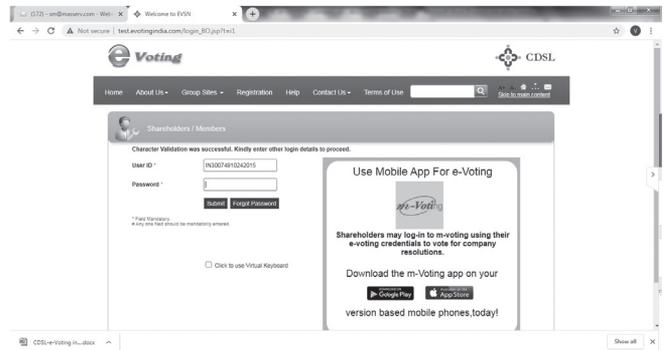


- II. Press Shareholders/Members tab, after which the below screen will be appear.

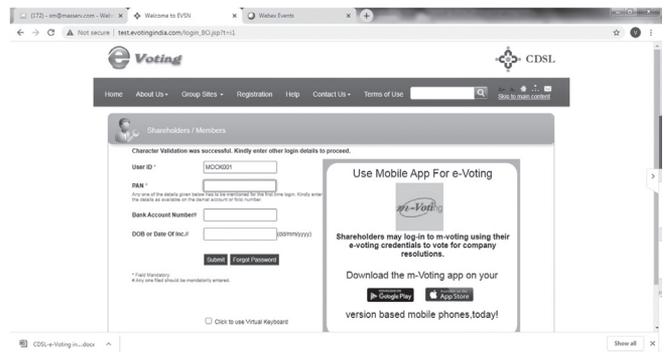


- III. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

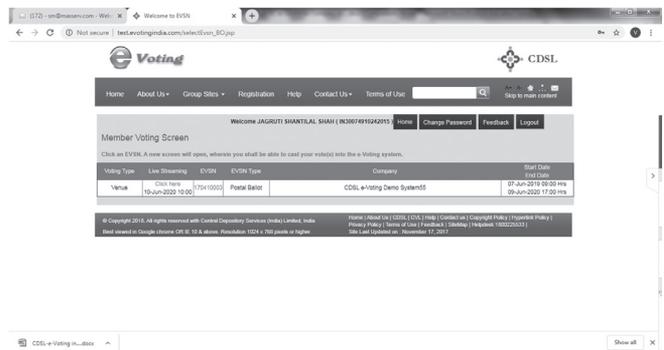
Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



- IV. In case you are 1<sup>st</sup> time user of CDSL e-voting system, then below screen will be appear.

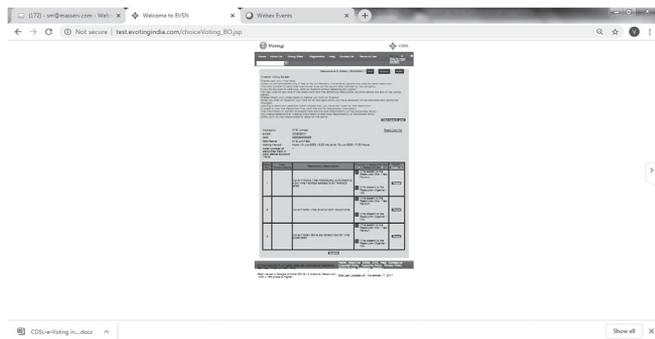


- V. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.

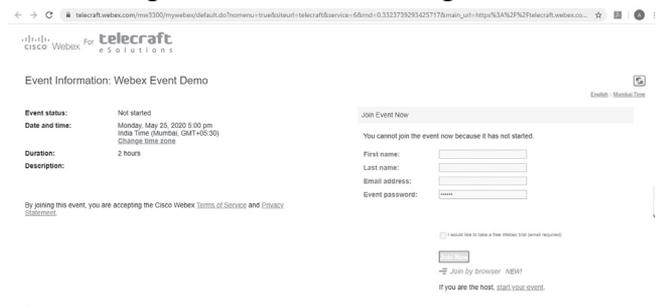


- VI. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



**Screen for login into Video Conferencing is shown below:**



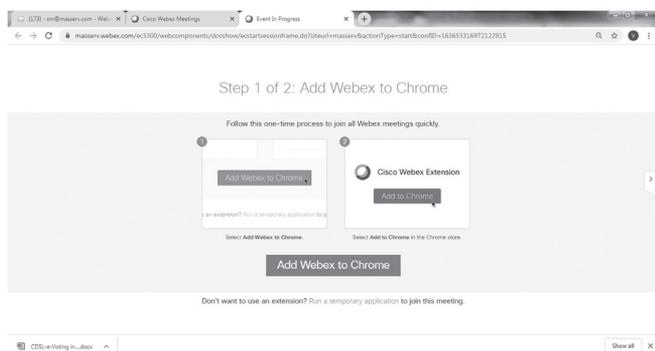
Fill the details as:

- In the "Name" field - Enter your USERID as given in email
- In the "last name" field - Enter your Name
- In the "Email ID" field - Put your email ID
- In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

VII. Once you click on 'Join now' tab, the following screen will be appear:



VIII. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:**

In conformity with Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice and should be taken as forming part of the Notice.

**Item No. 4**

As the shareholders are aware, stock options have long been recognised as an effective instrument to attract and retain the best talent and also serves to attract, incentivise and motivate professionals and reward exceptional performance. Accordingly, the Company intends to reward, attract, motivate and retain employees and Directors of the Company, for their high level of individual performance and for their efforts to improve the financial performance of the Company with the objective of achieving sustained growth of the Company and creation of shareholder's value by aligning the interests of the eligible employees with the long-term interests of the Company.

With the above objective, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee ("Remuneration Committee") constituted by the Board or any other Committee which the Board may constitute / designate to act as the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations")) has, pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014 read along with the provisions of the SEBI ESOP Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Foreign Exchange Management Act, 1999, the Memorandum and Articles of Association of the Company, proposed 'Poly Medicure Employee Stock Option Scheme 2020' ("Poly Medicure ESOS 2020" or "ESOP Scheme"). The ESOP Scheme has been formulated in accordance with the SEBI ESOP Regulations. The terms and broad framework of the ESOP Scheme has been approved by

the Board of Directors of the Company at their meeting held on 5<sup>th</sup> June, 2020.

Under the ESOP Scheme, the eligible employees shall be granted employee Stock Options in the form of Options (“Options” or “Stock Options”) which will be exercisable into equity shares of Rs. 5/- each of the Company (the “Equity Shares”). The maximum number of Equity Shares to be issued and allotted under the ESOP Scheme shall be limited to 10,00,000 (Ten Lacs) Equity Shares of the Company representing 1.13% of the current paid-up equity shares of the Company.

The ESOP Scheme will be administered by the Remuneration Committee of the Board constituted pursuant to the provisions of Section 178 of the Act.

The salient features, relevant disclosures and details of the ESOP Scheme are as follows:

**a. Brief description of the ESOP Scheme**

ESOP Scheme is intended to reward, attract, motivate and retain eligible employees and Directors of the Company, for their high level of individual performance and for their efforts to improve the financial performance of the Company with the objective of achieving sustained growth of the Company and creation of shareholder’s value by aligning the interests of the eligible employees with the long-term interests of the Company.

**b. Total number of Stock Options to be granted**

The total number of Stock Options that may in the aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 10,00,000 (Ten Lacs) Equity Shares of Rs. 5/- each being 1.13 % of the paid-up equity shares of the Company. Upon exercise, each Stock Option entitles the relevant grantee to one Equity Share (i.e. one Stock Option will entitle the grantee to one Equity Share).

In case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganisation of capital structure of the Company, as the case may be, the number of Stock Options and / or the Equity Shares to be allotted upon exercise of Options shall be reasonably adjusted as per the provisions of

the ESOP Scheme and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the eligible employees who have been granted Stock Options under the ESOP Scheme.

Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying Equity Shares will be available for grant under the present ESOP Scheme or under a new scheme, subject to compliance with applicable laws.

**c. Identification of classes of employees entitled to participate in the ESOP Scheme**

Following classes of employees, who are in the management cadre, shall be eligible to participate in the ESOP Scheme:

- (a) A permanent employee of the Company, working in India or outside India;
- (b) Directors of the Company whether whole time or not but excluding an Independent Director; or

Following persons are not entitled to participate in the ESOP Scheme:

- (a) an employee who is a promoter or a person belonging to the promoter group; or
- (b) a Director who either himself/herself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Company.

The eligibility of an employee shall be determined by the Remuneration Committee as per the eligibility

criteria as may be determined by the Board/ Remuneration Committee.

**d. Requirements of vesting, period of vesting and maximum period within which the Options shall be vested**

The Board or the Remuneration Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Stock Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, and which may be specified in the respective grant letters / award agreement or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest will be subject to the minimum and maximum vesting period as specified below.

**Vesting period for Options:** The Options would vest not earlier than one year and not later than four years from the date of grant of Options or such other period as may be determined by the Remuneration Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Remuneration Committee. The Options granted under the Scheme may vest in one or more tranches.

**e. Exercise price or pricing formula**

Subject to SEBI ESOP Regulations and other applicable laws, if any, the Exercise Price may be equivalent to the prevailing Market Price of the Shares provided that the Remuneration Committee may give discount, if any to the Exercise Price in its sole discretion, as it may deem appropriate in conformity with the applicable accounting policies, if any, provided that the Exercise Price shall not be less than the face value of the Equity Shares. Market Price to be considered for the grants will be the latest available closing price on an Indian Recognized Stock Exchange having higher trading volume on which the Equity Shares of the Company are listed on the date immediately prior to the date on which the Options are granted by the Remuneration Committee to the employees. Exercise Price will be intimated to the Option holder through the grant letter /award agreement. The exercise price shall be subject to any fair and reasonable adjustments that may be

made on account of change in capital structure or corporate actions of the Company in order to comply with the applicable laws.

**f. Exercise period and the process of exercise**

Exercise period would commence from the vesting date and would expire not later than four years from the date of vesting of Options or such other period as may be decided by the Remuneration Committee. If the Options are not exercised within the exercise period they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the Option holder towards such lapsed Options. An employee may exercise the vested Options within the exercise period by submitting a written exercise application to the Company accompanied by the payment of an amount equivalent to the exercise price in respect of such Shares and in such manner and on execution of such other documents, as may be prescribed by the Remuneration Committee from time to time.

**g. The appraisal process for determining the eligibility of employees.**

The appraisal process for determining the eligibility of the employees will be specified by the Board or the Remuneration Committee from time to time, and will be based on criteria, such as level, role / criticality of the employee, length of service with the Company, work performance, and such other criteria that may be determined by the Board or the Remuneration Committee, as applicable, at its sole discretion. The Board or the Remuneration Committee may decide to extend the benefits of the ESOP Scheme to new entrants or to existing eligible employees on such basis as it may deem fit, in accordance with applicable law.

**h. Maximum number of Stock Options to be issued per employee and in aggregate**

The maximum number of Stock Options to be granted to any eligible employee shall be decided by the Board or Remuneration Committee. However, the number of Stock Options that may be granted to a single eligible employee, under the ESOP Scheme during any particular financial year shall be less than 1% of the paid-up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/ re-organisation of capital structure or corporate actions of the Company from time to time). The aggregate of all such Stock Options shall not result into more than 10,00,000 (Ten Lacs) Equity Shares at

any time which shall be adjusted of corporate actions, adjustments/ re-organisation of capital structure of the Company from time to time.

**i. Maximum quantum of benefits to be provided per employee under the ESOP Scheme**

The maximum quantum of benefits underlying the Stock Options granted to an eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Stock Option Exercise Price and the Market Price of the Equity Shares on the exercise date.

**j. Lock-in period, if any**

There is no lock in period.

**k. Whether the ESOP Scheme is to be implemented and administered directly by the Company or through a trust**

The Company shall directly implement and administer the ESOP Scheme through the Board / the Remuneration Committee.

**l. Whether the ESOP Scheme involves issue of new Equity Shares by the Company or secondary acquisition or both**

ESOP Scheme contemplates only issue of new shares by the Company.

**m. The amount of loan to be provided for implementation of ESOP Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.**

The Company will not provide any loan for implementation of ESOP Scheme to any trust.

**n. Maximum percentage of secondary acquisition that can be made by the trust for the purpose of the ESOP Scheme**

Not applicable

**o. Method of Stock Options' valuation**

The Company shall use the fair value method or such valuation method as may be prescribed from time to time in accordance with applicable laws for valuation of the Stock Options granted, to calculate the employee compensation cost.

**p. Transferability of Stock Options**

The Stock Options granted to an eligible employee will not be transferable to any person and shall not

be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall vest in the legal heir(s) or nominee(s) of such Stock Option holder, in accordance with the provisions of the ESOP Scheme.

**q. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct and the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee.**

If an Option holder's employment is terminated with the Company for 'Cause' as specified in the ESOP Scheme (cause includes acts such as misconduct, fraud, misrepresentation etc. as detailed in the ESOP Scheme), then all the vested options (but not exercised) and unvested options shall lapse and be cancelled forthwith. The Company shall not have any obligation towards the Option holder with regard to such lapsed Options.

If an Option holder's employment is terminated with the Company for any other reasons other than the 'Cause' (as specified in the ESOP Scheme), then all the unvested Options shall lapse on the date of termination / resignation / superannuation of the employee. As regards the vested Options, the Option holder shall be entitled to exercise the vested Options within 3 (three) months from the date of termination / resignation/ superannuation, failing which such vested Options shall lapse and be cancelled forthwith. There shall be no further obligation of the Company towards the Option holder with regard to lapsed Options.

**r. Disclosure and accounting policies**

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI ESOP Regulations and those prescribed by the concerned authorities from time to time.

**s. Other Terms**

The Board or Remuneration Committee shall have the absolute authority to vary or modify the terms of the ESOP Scheme in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India, including in terms of the SEBI ESOP Regulations or regulations that may be issued by any appropriate authority, from time to time, unless such

variation, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the ESOP Scheme.

Regulation 6 (1) of SEBI ESOP Regulations requires that every employee stock option scheme shall be approved by the shareholders of the company by passing a special resolution in a general meeting. Further, as ESOP Scheme entails further issue of shares, consent of the shareholders is required by way of a special resolution pursuant to Section 62(1)(b) of the Act. Accordingly, the Special Resolution set out at Item No. 4 of this Notice is proposed for approval by the shareholders.

The Options to be granted under the ESOP Scheme shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The ESOP Scheme conforms to the SEBI ESOP Regulations.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options under ESOP Scheme may be deemed to be concerned or interested in the Special Resolution at Item Nos. 4 of this Notice. Save as aforesaid, none of the Directors/ Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

The Board recommends Special Resolution mentioned in item no 4 of the Notice for approval of the shareholders of the Company

#### **Item No. 5**

##### **Regularization of appointment of Mr. Amit Khosla.**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Mr. Amit Khosla as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Mr. Amit Khosla holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr. Amit Khosla as a Director of the Company. The Company has also received a declaration from

Mr. Amit Khosla confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Amit Khosla is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Amit Khosla fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Amit Khosla holds a bachelor's degree in Economics (with honours) from Delhi University and a Master's degree in Business Administration (MBA) from Kellogg Graduate School of Management, Northwestern University, Illinois, USA He has around 17 years of experience in financial advisory in India and abroad.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company [www.polymedicure.com](http://www.polymedicure.com).

Mr. Amit Khosla is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Amit Khosla and his relatives, are in anyway, concerned or interested in the said resolution.

The resolution as set out in item No. 5 of this Notice is accordingly commended for your approval.

#### **Item No. 6**

##### **Regularization of appointment of Ms. Sonal Mattoo.**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Ms. Sonal Mattoo as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Ms. Sonal Mattoo holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received

a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Ms. Sonal Mattoo as a Director of the Company. The Company has also received a declaration from Ms. Sonal Mattoo confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Ms. Sonal Mattoo is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Ms. Sonal Mattoo fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Ms. Sonal Mattoo holds a B.A., LLB (hons) degree from National Law School of India, University, Bangalore. She has over 25 years of post-qualification work experience. She specializes in compliance relating to workplace harassment and diversity issues. She supports various clients as an independent Ombudsperson, handling employee complaints via the internal dispute redressal mechanism and as an independent IC member for the Prevention of sexual harassment at the workplace issues.

She also works in the area of issues pertaining to women at the workplace, CSR activities, counselling, preparing policies, supporting the internal redressal system and conducting workshops in these areas.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company [www.polymedicure.com](http://www.polymedicure.com).

Ms. Sonal Mattoo is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Ms. Sonal Mattoo and her relatives, are in anyway, concerned or interested in the said resolution.

The resolution as set out in item No. 5 of this Notice is accordingly commended for your approval.

#### **Item No. 7**

#### **Approval of remuneration payable to M/s. Jai Prakash & Company, Cost Accountants, the Cost Auditor of the Company**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Jai Prakash & Company, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice, to ratify the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2021.

None of the Directors and Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

By order of the Board  
Avinash Chandra  
Company Secretary

Date: 03<sup>rd</sup>, September, 2020  
Registered Office:  
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,  
New Delhi -110020.  
CIN: L40300DL1995PLC066923  
E-mail: [investorcare@polymedicure.com](mailto:investorcare@polymedicure.com)

## Annexure

### Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meeting)

<b>Name of the Director</b>	<b>Shri Rishi Baid (DIN: 00048585)</b>	<b>Shri Amit Khosla (DIN No. 00203571)</b>
Date of Birth and Age	2 <sup>nd</sup> June, 1972, 47 years	5 <sup>th</sup> March, 1974, 46 Years
Date of Appointment	10 <sup>th</sup> May, 2019	5 <sup>th</sup> June, 2020
Qualifications	Masters of Science in Mechanical Engineering	Bachelor's degree in Economics (with honours) and Master's degree in Business Administration (MBA)
Expertise in Specific functional areas	Around 22 years of experience in Manufacturing, Operations and R&D of Disposable Medical Devices	Around 20 years of experience in the financial Services Sector (Advisory and investment management) in India and abroad. Investment banking experience includes transaction advisory in Japan, Malaysia and Singapore covering Financial Institutions (Banks, Insurance and Asset Management). He has also represented foreign banks in India. He was Chief Representative of Hana Bank (Korea) in India from 2009 to 2013.
No. of Board Meetings attended during the Financial Year 2019-20	5 (Five)	N.A.
Remuneration last drawn	602.58 lacs	N.A.
Relationship with any Director(s) and Key Managerial Personnel of the Company	Shri Rishi Baid, is a promoter director and related to Shri Himanshu Baid, Managing Director, Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Vishal Baid, President (Corporate Sales & Marketing).	Not related to any other Directors and Key Managerial Personnel of the Company
Directorship of other Companies as on 31 <sup>st</sup> March, 2020/5 <sup>th</sup> June, 2020	<ol style="list-style-type: none"> <li>1. Jai Polypan Pvt. Ltd.</li> <li>2. Poly Medicure (Laiyang) Company, Ltd., China</li> <li>3. Ultra for Medical Products, Egypt</li> <li>4. Poly Medicure B.V., Netherlands</li> <li>5. Plan1 Health s.r.l., Italy</li> <li>6. Plan1 Health India Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. SC India Manager Private Limited</li> <li>2. Catalytic Solution and Management Services Private Limited</li> <li>3. VT Investment Advisers Private Limited</li> </ol>
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31 <sup>st</sup> March, 2020	None	None
Number of Shares held in the Company	99,93,048 (11.32 %)	None

For other details such as number of shares held, number of meetings of the Board attended during the year remuneration drawn in respect of the aforesaid Director; please refer to the Corporate Governance Report.

<b>Name of the Director</b>	<b>Ms. Sonal Mattoo (DIN: 00106795)</b>
Date of Birth and Age	29 <sup>th</sup> January, 1974, 46 years
Date of Appointment	29 <sup>th</sup> August, 2020
Qualifications	B.A., LLB (hons) degree from National Law School of India, University, Bangalore.
Expertise in Specific functional areas	She has over 25 years of post-qualification work experience. She specializes in compliance relating to workplace harassment and diversity issues. She also works in the area of issues pertaining to women at the workplace, CSR activities, counselling, preparing policies, supporting the internal redressal system and conducting workshops in these areas.
No. of Board Meetings attended during the Financial Year 2019-20	N.A.
Remuneration last drawn	N.A.
Relationship with any Director(s) and Key Managerial Personnel of the Company	Not related to any other Directors and Key Managerial Personnel of the Company
Directorship of other Companies as on 28 <sup>th</sup> August, 2020	<ol style="list-style-type: none"> <li>1. Ashiana Housing Limited</li> <li>2. V-Mart Retail Limited</li> <li>3. OPG Realtors Limited</li> </ol>
Chairmanship(s)/Membership(s) of Committees of other Companies as on 28 <sup>th</sup> August, 2020	<ol style="list-style-type: none"> <li>1. Ashiana Housing Limited Audit Committee - Member Stakeholder's Relationship Committee - Chairman</li> <li>2. V-Mart Retail Limited Audit Committee - Member Stakeholder's Relationship Committee - Chairman</li> </ol>
Number of Shares held in the Company	None

## DIRECTORS' REPORT

Your Directors take immense pleasure in presenting the 25<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

### Financial Results

(₹ In lacs)

Parameters	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations (Net)	64,616.24	58,669.05	68,723.90	61,082.53
Add: Other Income	1858.38	1,583.98	1,846.34	1,826.71
<b>Total Revenue</b>	<b>66,474.62</b>	<b>60,253.03</b>	<b>70,570.24</b>	<b>62,909.24</b>
Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	17,872.27	14,814.93	18,456.54	14,911.73
Less: Depreciation & Amortization Expenses.	3928.43	3,636.39	4,052.78	3,729.22
Less: Financial Costs	1765.51	1,129.36	1,831.43	1,175.06
<b>Profit Before Tax (PBT)</b>	<b>12,178.33</b>	<b>10,049.18</b>	<b>12,358.26</b>	<b>10,007.45</b>
Add: Share of Profit from Associates	-	-	214.07	139.88
Profit before tax (after Share of Profit from Associates)	12,178.33	10,049.18	12,572.33	10,147.33
Less: Tax provision	2,940.05	3,420.79	2,984.54	3,467.55
<b>Profit after Tax</b>	<b>9,238.28</b>	<b>6,628.39</b>	<b>9,587.79</b>	<b>6,679.78</b>
<b>Net Profit for the Year</b>	<b>9238.28</b>	<b>6,628.39</b>	<b>9,587.79</b>	<b>6,679.78</b>
Add: Balance brought forward	17,224.42	15,303.14	16,647.90	14,970.51
<b>Profit available for appropriation</b>	<b>26,462.70</b>	<b>21,931.53</b>	<b>26,235.69</b>	<b>21,650.29</b>

Briefly, during the year under report, the Company's consolidated total income increased to ₹ 70,570.24 lacs from ₹ 62,909.24 lacs in the previous year, registering a growth of 12.18%. EBITDA improved to ₹ 18,456.54 lacs as from ₹ 14,911.73 lacs in the previous year which translates into a rise of 23.77%. Profit before Tax (PBT) is ₹ 12,572.33 lacs as against ₹ 10,007.45 lacs in previous year which translates into a rise of 25.63%.

Highlights of performance are discussed in detail in the Management Discussion and Analysis Report which forms part of the Directors' Report.

#### Global Pandemic – COVID-19

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 23, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed

in India. The Company's proactive implementation of Business Continuity Plan and Emergency Preparedness Plan at the enterprise level ensured not only the safety of its work force but also smooth, uninterrupted and secure business and service continuity.

The Company was able to run the operations without much disruption as it implemented the preventive safeguard measures as an abundant caution much before the Central/ State Governments issued SOPs to operate.

Our Corporate & Registered office and other Regional offices have also reopened, with adequate staff strength, as per applicable norms.

The manufacturing plants were working at a limited capacity in April and May, 2020 but from June, 2020 onwards we have been able to ramp-up capacity to cater domestic and international customer demand.

Due to the lockdown, revenue was impacted both in Q4 of FY20 and Q1 of FY21. We shall review the long term impact of the pandemic and take all steps necessary to adapt ourselves to emerging challenges and changes in the demand.

On the basis of evaluation, the Company has concluded that no material adjustments are required in the consolidated financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Group's financial statements will be continuously made and provided for as required.

### Share Capital

During the year under report no further capital was issued.

### Dividend

The Board has not recommended any Final Dividend for the Year 2019-20. The interim dividend of ₹ 2 per share declared by the Board in its meeting held on 18<sup>th</sup> February, 2020 shall be considered as the final dividend for financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains ₹ 2/- per equity share.

The total dividend on equity shares including dividend tax for the F.Y. 2019-20 was ₹ 2127.73 lacs.

The aforesaid dividend paid for year under review is in accordance with the Company's policy on Dividend Distribution which is linked to long term growth objectives of your Company to be met by internal cash accruals. The Dividend Distribution Policy of the Company can be viewed on the Company's website at [www.polymedicure.com](http://www.polymedicure.com)

### Transfer to Reserves

The Board of Directors has proposed to transfer ₹ 2,500.00 lacs to General Reserves out of the profit available for appropriation.

### Subsidiaries and Associate

The subsidiary companies performed as follows:

- **Poly Medicure (Laiyang) Co. Ltd, China** - The wholly owned subsidiary Company has achieved a turnover of ₹ 1,381.66 lacs for the year ending 31<sup>st</sup> March, 2020 against ₹ 1,098.90 lacs in the previous year. The Performance during the year was impacted due to CoVID-19 pandemic in China.
- **Poly Medicure B.V., Amsterdam, Netherlands** - During the year under review the Company has not done any business operations.

- **Plan1 Health s.r.l., Italy, a step-down Subsidiary** – The wholly owned subsidiary Company has achieved a turnover of ₹ 2,845.79 lacs for the year ending 31<sup>st</sup> December, 2019 against ₹ 1,350 lacs in the previous year.
- **Plan1 Health India Pvt. Ltd., India** – During the year under review the Company has incorporated a 100% subsidiary company in India, in the name of Plan1 Health India Pvt. Ltd. for further expansion in Indian market.

The Company has one Associate in Egypt, viz.

**Ultra for Medical Products Company (ULTRA MED), Egypt**– The Associate has achieved sales of ₹ 8,816.79 lacs during the year ending 31<sup>st</sup> December 2019, against ₹ 7,225.69 lacs in the previous year.

Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund

During the Year under review, the Company has transferred ₹ 82,125 lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection fund (IEPF) in compliance with Section 205C of the Companies Act, 1956, read with Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001. The said amount represents the dividend for the financial year 2011-12 which remained unclaimed by the shareholders of the Company for a period of seven years from due date of payment.

### Directors and Key Managerial Personnel

In view of the provisions of the Companies Act, 2013, ShriRishi Baid is liable to retire by rotation at the ensuing Annual General Meeting, and he offers himself for re-appointment. The information as required to be disclosed under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of re-appointment of directors is provided in the Notice of the ensuing Annual General Meeting of the Company.

Pursuant to Section 149(4) of the Companies Act, 2013, every Listed Company is required to appoint one third of its Directors as Independent Directors. The Board has four Independent Directors in terms of the provisions of Regulation 17(b) of the SEBI (LODR) Regulations, 2015. Necessary details in respect of the directors are given in the Corporate Governance Report.

The Independent Directors have submitted their respective declarations of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence specified in the Act and the Rules made thereunder as also under Regulation 25 of the SEBI (LODR) Regulations, 2015.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the key managerial personnel of the Company are Shri Himanshu Baid, Managing Director, Shri Rishi Baid, Joint Managing Director, Shri J.K. Oswal, Chief Financial Officer and Shri Avinash Chandra, Company Secretary.

### Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

### Secretarial Standards

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2).

### Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors have prepared the annual accounts on a going concern basis.
- e) the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively.
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under the regulation 34 (2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a cash flow statement is part of the Annual Report 2019 - 2020. Further, the Consolidated Financial Statements of the Company for the financial year 2019 - 2020 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said Financial Statements have been prepared on the basis of the audited financial statements of the Company, its subsidiaries and joint venture companies as approved by their respective Boards of Directors.

#### **Policy on Directors' Appointment and Remuneration**

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Companies Act, 2013, adopted by the Board are covered in Corporate Governance Report as **Annexure – 1**, which forms part of this Report.

Further, the policy also indicates the manner of performance evaluation of Independent Directors, Board committees and other individual directors which include criteria for performance evaluation of the non-executive and executive directors.

#### **Extract of the Annual Return**

The extract of the Annual Return in Form No. MGT-9 forms part of the Board' Report and is annexed herewith as **Annexure-2**.

#### **Auditors and Auditors' Report**

##### **Statutory Auditors**

At the 24<sup>th</sup> Annual General Meeting held on September 23, 2019 M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 29<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024.

Your Company has received a certificate from M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E) confirming their eligibility to continue as the Auditors of the Company in terms of the provisions of the Act and the Rules framed thereunder and also a copy of the certificate issued by the Peer Review Board (ICAI) as required under Regulation 33 of the Listing Regulations.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Further, during the year, in the course of the performance of their duties as auditor, no frauds were reported by them.

#### **Cost Auditor**

The Board had appointed M/s. Jai Prakash & Co., Cost Accountants as Cost Auditor for the financial year 2019-20. M/s. Jai Prakash & Co., Cost Accountants have been re-appointed as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2020-21 and approval of the members is being sought for ratification of their remuneration.

#### **Secretarial Auditor**

The Board of Directors have appointed M/s. P.K. Mishra & Associates (Certificate of Practice No.-16222), Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 is annexed this Report as **Annexure – 3**.

The Board of Director has appointed M/s. P.K. Mishra & Associates, Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2020-21.

#### **Business Responsibility Report**

A detailed Business Responsibility (BRR) is prepared. As a green initiative the BRR is placed on website of your Company and can be accessed at the website of the Company [www.polymedicure.com](http://www.polymedicure.com)

#### **Particulars of Loans, Guarantees or Investments under Section 186**

The Particulars of Loans, Investments and guarantees made/ given by the Company, under Section 186 of the Companies Act, 2013, are furnished in **Annexure - 4** and forms part of the Report.

#### **Particulars of Contracts or Arrangements with Related Parties**

The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC - 2 in **Annexure - 5** and form part of this Report.

#### **Fixed Deposits**

Your Company has not accepted/or invited any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and Section 73 or 76 of the Companies Act, 2013.

#### **Corporate Social Responsibility**

As per the Companies Act, 2013, all companies having a

net worth of ₹ 500 Crore or more, or a turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any financial year are required to constitute a CSR Committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such Companies are required to spend at least 2% of the average net profits of their immediately preceding three financial years on CSR related activities. Accordingly, the Company was required to spend ₹ 214.74 lacs (includes unspent amount of ₹ 46.28 lacs for previous year) towards CSR activities. The Company overall spends ₹ 237.72 lacs (Includes extra amount of ₹ 22.98 lacs), for activities specified in schedule VII of the Companies Act, 2013. Also the Company donated a sum of ₹ 51 lacs towards PM CARES Fund for COVID-19 on 6<sup>th</sup> April, 2020. Details of CSR policy and the initiatives adopted by the Company on CSR during the year are available on the website of the Company at [http://www.polymedicure.com/wp-content/uploads/2015/03/CSR\\_Policy\\_2015.pdf](http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf). The Annual Report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure – 6** to this Report in the prescribed format.

#### **Vigil Mechanism/ Whistle Blower Policy:**

The Company has a “Policy on Whistle Blower and Vigil Mechanism” to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility

#### **Prevention of Sexual Harassment at Workplace**

The Company is committed to provide a protective environment at workplace for all its women employees. The Company has in place the “Policy on Prevention of Sexual Harassment at the Workplace” in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

#### **Details in respect of Adequacy of Internal Financial Controls with reference to the financial statements**

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence

to Company’s policies, safeguarding of Company’s assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Audit Committee of the Board reviews reports submitted by the independent internal auditors and monitors follow-up and corrective actions.

#### **Particulars of Employees pursuant to Section 197(12)**

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as **Annexure-7**.

#### **Quality**

The Company delivers products confirming to strict global quality standards. The products comply with international regulatory requirements. The Company is committed to continuous improvements and implementation of world class processes. All products are manufactured in accordance with current Good Manufacturing Practices (GMP). Routine internal and external quality audits for GMP compliance assure that our quality systems are consistent with current international standards.

The Company’s manufacturing facilities continue to remain certified by independent and reputed external agencies. The company’s manufacturing facilities following certifications: Quality Management System ISO 9001: 2015 by DNV GL Business Assurance BV, EN ISO 13485:2016 and CE mark (Product Certification) as per European Medical Device Directive MDD 93/42/EEC as amended by 2007/47/EC by TUV SUD Product Service GmbH, Germany thus making the entire product range compliant with International Quality Standards.

#### **Human Resources**

Your Company’s human capital has been at the helm of its success through all its endeavours. The employees are well trained and carry adequate knowledge and skills to perform relevant functions in the organization.

The Company sees its relationship with its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful, relevant and competitive in managing the change constructively for overall growth of the organization. The Company’s efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and greater dedicated participation in

organizational development. In-house and external training and instructions are also provided to employees at all levels, which help in attaining professional and productive culture.

#### **Credit Rating**

CRISIL continue to accord the Company, the ratings on the bank facilities of the Company as under:

Long-Term Rating	CRISIL A+ / Stable
Short-Term Rating	CRISIL A1

#### **Regulatory Risk**

Medical Devices is among one of the highly regulated industries across the world, rightly so as it deals with saving human lives. The regulations impact manufacturing, quality, marketing and distribution of products globally and bring new compliance challenges year on year. A strong quality assurance and regulatory control mechanism ensures strict compliance at every level. The company organizes regular regulatory trainings for its employees to update them on new developments in this field.

#### **Global Economic Volatility Risk**

The Company sells its products in more than 100 countries and each of these markets present different economic and political risk. A widespread global presence, with no over dependence on any one region or country, considerably insulates the Company from any uneventful developments in any particular market.

#### **Foreign Exchange Risk**

The Company earns a major part of its revenue in foreign exchange, thus exposing it to the volatility in the exchange rates. This can have an adverse effect on its earnings. The Company follows a conservative and disciplined hedging policy which ensures protecting the desired exchange rate for sustaining the profitability.

#### **Corporate Governance**

Your Company always strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Your Company believes that Good Corporate Governance is the basis of sustainable growth of the business and for enhancement of Stakeholders' value. The Corporate Governance Report forms an integral Part of this Report and is set out separately in this Annual Report.

All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ending on 31<sup>st</sup> March, 2020

as per Regulation 26(3) of SEBI (LODR) Regulations, 2015. A declaration to this effect as signed by the Managing Director is annexed with this Report.

#### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report on the operations of the Company, as required under the provision of Regulation 34 of the Listing Regulation is provided in **Annexure-8** forming part of Directors' Report.

#### **Listing**

The Shares of your Company are listed on the BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited, (NSE), Mumbai. The Listing fees to the Stock Exchanges for the year 2020-21 have been paid.

#### **Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **Annexure - 9** and forming an integral part of this Report.

#### **Green Initiatives**

As part of the Green Initiative, we propose to send documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications for the year ended 31<sup>st</sup> March 2020 in electronic form, to the email addresses provided by you and/or made available to the Company by the Depositories. The copy of annual report shall be available on the website of the Company and for inspection at the registered office of the Company, during office hours. In case any member wishes to get Annual Report and other communication in physical form, he may write to the company and the same will be provided free of cost.

Electronic copies of the Annual Report 2019-20 and Notice of the 25<sup>th</sup> Annual General Meeting would be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the same would be sent in the permitted mode.

#### **Significant and material orders passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company's operations in future.

### Acknowledgements & Appreciation

Your Board of Directors would like to place on record their sincere appreciation for the support and contributions made by all the Employees, Customers, Suppliers, Bankers, Investors, Business Associates and all other Stakeholders. Our consistent growth was made possible due to their hard work, solidarity, co-operation and support.

The Directors also thank the Government of India, various State Governments and concerned Government Departments/Agencies for their co-operation, support and look forward to their continued support in the future.

Your Directors acknowledge with gratitude, the encouragement and support extended by all our valued shareholders

For and on behalf of **Board of Directors**

30 <sup>th</sup> July, 2020	D. R. Mehta	Himanshu Baid
New Delhi	Chairman	Managing Director

### Annexure-1

#### REMUNERATION POLICY

##### Preamble:

Pursuant to the provisions of section 178 of the Companies Act, 2013, read with rule 6 of Companies (Meeting of Board and its powers) rules, 2014, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee consisting of three or more Non Executive Directors out of which not less than one half shall be Independent Directors. The Board has already constituted its Remuneration Committee comprising of Non-Executive Independent Directors. In order to align with the provisions of the Companies Act, 2013 and rules made there under the Board in its meeting held on 15<sup>th</sup> May, 2014 has changed the nomenclature of the Remuneration Committee to Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall determine the criteria of appointment to the Board and is vested with authority to identify candidates for appointment to the Board and evaluate their performance. This policy has been formulated by Nomination and Remuneration Committee and approved by the Board of Directors in compliance with section 178 of the Companies Act, 2013 read with rule 6 of Companies (Meeting of Board and its powers) rules, 2014.

##### Objectives:

The primary objective of the policy is to provide a framework and set standards for nomination, remuneration and evaluation of Directors, Key Managerial Personnel and Officers comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The main objective of the policy and committee includes the following:

- To guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- To formulate the criteria for determining qualification, positive attributes and independence of a Director and recommendation to the Board on the remuneration payable to Directors, Key Managerial Personnel and officials in Senior Management of the Company.
- Formulating the criteria for evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To guide on providing reward to Directors, Key Managerial Personnel and Senior Management directly linked to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Personnel and create competitive advantage.
- To develop a succession plan for the Board Members, Key Managerial Personnel and Senior Management and to regularly review the plan.

#### Constitution and Composition of Nomination and Remuneration Committee:

- I. Membership of the Committee:
  - a) The Nomination and Remuneration Committee shall consist of a minimum 3 Non-Executive Directors, provided one half shall be Independent Directors.

- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.
- II. Chairman of the Committee:
- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting.
- III. Frequency of meetings:
- The meeting of the Committee shall be held annually or as may be decided by the Chairman.
- IV. Committee members' interests:
- a) A member of the Committee is not entitled to be present when his or her own, remuneration is to be discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- V. Secretary:
- The Company Secretary of the Company shall act as Secretary of the Committee.
- VI. Voting:
- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- VII. Minutes of Committee Meeting:
- Proceedings of all meetings must be recorded in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.
- Definitions:**
- "Board"** means Board of Directors of the Company.
- "Company"** means 'Poly Medicure Limited.'
- "Independent Director"** means a director referred to in Section 149(6) of the Companies Act, 2013.
- "Key Managerial Personnel"** (KMP) means:
- (i) Managing Director or Chief Executive Officer or Manager
- (ii) Whole Time Director
- (iii) Company Secretary
- (iv) Chief Financial Officer
- "Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- "Policy"** shall mean **Nomination and Remuneration Policy.**
- "Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- "Senior Management"** mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of

management one level below the Executive Directors, including all the functional heads.

**Applicability:**

The Policy shall be applicable to all the Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management Personnel of the Company.

**Policy for appointment and removal of Director, KMP and Senior Management:**

I. Appointment Criteria and Qualifications:

- a) The Nomination and Remuneration Committee ("Committee") shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on explanatory statement annexed to the notice for such motion including the justification for extension of appointment beyond the seventy years.

II. Term/Tenure

- a) Managing Director, Whole Time Director and Executive Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board Report.

No Independent Director shall hold office for more than two consecutive terms of maximum of 5 years each, but such Independent Directors shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not during the said period of three years be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**Evaluation/Assessment of Directors/KMPs/Senior Officials of the Company:**

The evaluation/assessment of Directors, KMPs and the Senior Officials of the Company is to be conducted on an annual basis by the Committee.

The following criteria may assist in determining how effective the performances of Directors/KMPs/Senior Officials have been:

- Leadership & Stewardship abilities.
- Contributing to clearly define corporate objectives & plans.
- Communication of expectations & concern clearly with subordinates.
- Obtain adequate, relevant & timely information from external sources.
- Review & approval of achievement of strategic and operational plans, objectives, budgets.
- Regular monitoring of corporate results against projections.
- Identify, monitor & mitigate significant corporate risks.
- Assess corporate policies, structure & procedures.
- Director, monitor & evaluate KMP's, Senior Officials.

- Review management's succession plan.
- Effective meetings for corporate purposes.
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees.
- Review of corporation's ethical conduct.

Evaluation on the aforesaid parameters will be considered by the Independent Directors for each of the Executive/Non Executive/ Non Independent Director in a separate meeting of the Independent Director.

The Executive Director/Non Independent Director alongwith the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

#### **Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons the removal of Director, KMPs subject to the provisions and compliance of the Company's Act, rules and regulations.

For Senior Management Personnel, the removal will be governed by Company's HR Policy and the subsequent approval of Managing Director.

#### **Retirement:**

The Director, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing HR Policy of the Company. The Board will have the discretion to retain the Director, KMPs, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to applicable laws.

#### **Remuneration:**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and other Senior Management Officials.

The Directors, Key Managerial Personnel and other Senior Management Official's salary shall be based & determined on the basis of person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations and Remuneration Committee determines remuneration packages for Directors, KMP's and Senior Management Officials of the Company taking into account factors it deems relevant, including but not limited to market conditions, business performance, prevailing laws and other guidelines.

#### i. Remuneration to Executive Directors:

- Section 197 of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director, and its Manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in section 198 of the Companies Act, 2013.
- The Company with the approval of the shareholders and Central Government may authorize the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of schedule V.
- The Company with the approval of the shareholders, may authorise the payment of remuneration upto five percent of the net profit of the Company to anyone of its Managing Director/Whole Time Director/Manager and ten percent in case more than one such official.
- The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto one percent of the net profit of the Company, if there is a Managing Director or Whole Time Director or Manager and three percent of the net profits in any other cases.
- The net profit for the purpose of the above remuneration shall be computed in the manner referred to in section 198 of the Companies Act, 2013.

#### ii. Remuneration/Sitting Fee to Non Executive/ Independent Director:

The Independent Directors shall not be entitled to any stock option of the Company. The Non- Executive/ Independent Directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purposes as may be decided by the Board and profit related commission as may be approved by the shareholders.

iii. Remuneration to Key Managerial Personnel and Officials in Senior Management:

The remuneration payable to Key Managerial Personnel and to the officials in Senior Management shall be decided by the Board/Committee having regard to the provisions of Act, Policy of the Company and their experience, Leadership abilities, initiative taking abilities and knowledge base.

**Duties of the Committee in relation to Nomination matters:**

- Ensuing that on appointment to the Board, Non-Executive/Independent Directors receive a formal letter of appointment as per the provisions of the Companies Act, 2013.
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board as per the provisions of the Companies Act, 2013.
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board
- Developing a succession plan for the Board and Senior Management and reviewing the plan from time to time.
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.
- Recommend necessary changes to the Board
- Considering any other matters as may be assigned by the Board.

**Duties of the Committee in relation to Remuneration matters:**

- To consider and determine the remuneration based on the principles of (a) pay for responsibilities (b) pay for performance and potential.
- To pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the Directors, KMP's and Officials in Senior Management
- To take into account financial position of the Company, qualification, experience, past performance, past remuneration etc.
- To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance of provisions of Companies Act and other applicable laws.
- To ensure that a balance is maintained between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of Directors, KMP's and Senior Management.
- To consider any other matters as may be assigned by the Board.

**Review and Amend**

- The Committee or the Board may review the policy as and when it deems necessary.
- The Committee may issue the guidelines, procedures, format, reporting mechanism and manual in supplement and better implementation to this policy, if it things necessary.
- The Company reserves the rights to modify, add, or amend any of these Policy Rules/Guidelines any time.

**Evaluation of Director(s), KMP's etc.**

The evaluation of Director(s), Key Managerial Personnel and president level employees of the Company is to be conducted on an annual basis by the committee. Below mention criteria may be assisted in determining the effective of the performance:

**Executive Directors:**

1. Performance Criteria:

- Management qualities
- Results/Achievements
- Domain Knowledge
- Decision making

2. Personal Attributes:

- Leadership qualities
- Motivation and Commitment

- Vision
- Strategic Planning
- Principles and Values

**Non Executive Independent Directors and Non Executive Non Independent Directors**

- Engagement
- Strategic Planning
- Team spirit
- Knowledge and Skills

**Annexure-2**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and  
rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L40300DL1995PLC066923
2.	Registration Date	30 <sup>th</sup> MARCH, 1995
3.	Name of the Company	POLY MEDICURE LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	232-B, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE, PHASE-III, NEW DELHI- 110020 TEL NO.: 011-26321838 FAX NO.: 011-26321894
6.	Whether listed company	YES
7.	Name, Address and contact details of the Registrar and Transfer Agent, if any.	MAS SERVICES LIMITED T-34, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020 TEL NO.: 011-26387281 FAX NO.: 011-26387384

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Infusion Therapy Products	46497	70.97%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% age of Shares held	Applicable Section
1.	Poly Medicure (Laiyang) Co. Ltd.	Area A, Heshan Road, Laiyang Economical Development District, Laiyang, Shandong, China	370682400002685	Subsidiary	100	Section 2(87) of the Companies Act, 2013
2.	Poly Medicure B.V. , Netherlands	Keizersgracht 391A, 1016 EJ, Amsterdam, The Netherlands	71161767	Subsidiary	100	
3.	Plan1 Health s.r.l., Italy	Amaro (UD) Via Fratelli Solari 5 Cap 33020	01677460303	Step-down subsidiary	100	
4.	Plan1 Health India Pvt Ltd	232-B, 3 <sup>rd</sup> Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020	U33309DL2020PTC 362337	Subsidiary	100	
5.	Ultra for Medical Products Company (ULTRAMED)	64, NakhlaE1 Motei Street-Triumph-Heliopolis-Cairo, Egypt	346697	Associate	23	Section 2(6) of the Companies Act, 2013

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	35798208	0	35798208	40.57	35798208	0	35798208	40.57	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6993144	0	6993144	7.92	7003144	0	7003144	7.93	0.02
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>									
a) Individual/HUF	227200	0	227200	0.26	227200	0	227200	0.26	0
b) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>43018552</b>	<b>0</b>	<b>43018552</b>	<b>48.75</b>	<b>43028552</b>	<b>0</b>	<b>43028552</b>	<b>48.76</b>	<b>0.02</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	6904	0	6904	0.01	2946	0	2946	0	(0.01)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	4418793	0	4418793	5.01	2556129	0	2556129	2.90	(2.11)
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0
g) Alternate Investment Fund	52500	0	52500	0.06	156576	0	156576	0.18	0.12
h) Insurance Companies	0	0	0	0	0	0	0	0	0
i) FIs	0	0	0	0	0	0	0	0	0
j) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
k) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>4478197</b>	<b>0</b>	<b>4478197</b>	<b>5.08</b>	<b>2715651</b>	<b>0</b>	<b>2715651</b>	<b>3.08</b>	<b>(2.00)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	26297875	0	26297875	29.80	26206068	0	26206068	29.70	(0.10)
ii) Overseas	0	0	0	0	0	0	0	0	0

b) Individuals	3135622	307384	3443006	3.90	4163438	299380	4462818	5.06	1.16
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	7694941	0	7694941	8.72	10998107	0	10998107	12.46	3.74
c) NBFCs registered with RBI	217800	0	217800	0.25	0	0	0	0	(0.25)
d) Others (specify)									
Non Resident Indians/OCB	2957921	108800	3066721	3.48	771853	0	771853	0.87	(2.61)
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	19638	0	19638	0.02	63731	0	63731	0.07	0.05
Trusts	200	0	200	0	200	0	200	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>40323997</b>	<b>416184</b>	<b>40740181</b>	<b>46.17</b>	<b>42203397</b>	<b>299380</b>	<b>42502777</b>	<b>48.16</b>	<b>(1.99)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	44802194	416184	45218378	51.25	44919048	299380	45218428	51.24	0.01
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>87820746</b>	<b>416184</b>	<b>88236930</b>	<b>100.00</b>	<b>87947600</b>	<b>299380</b>	<b>88246980</b>	<b>100.00</b>	<b>0</b>

## b) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rishi Baid	9993048	11.33	0	9993048	11.33	0	0
2	Himanshu Baid	7907624	8.96	0	7907624	8.96	0	0
3	Himanshu Baid (HUF)	3839200	4.35	0	3839200	4.35	0	0
4	Mukulika Baid	3062400	3.47	0	3062400	3.47	0	0
5	Rishi Baid (HUF)	2780000	3.15	0	2780000	3.15	0	0
6	Jugal Kishore Baid	2279376	2.58	0	2279376	2.58	0	0
7	Vishal Baid	1681360	1.91	0	1681360	1.91	0	0
8	Shaily Baid	1188000	1.35	0	1188000	1.35	0	0
9	Shireen Baid	1121600	1.27	0	1121600	1.27	0	0
10	Neha Baid	1024000	1.16	0	1024000	1.16	0	0
11	Dhruv Baid	360000	0.41	0	360000	0.41	0	0
12	Aaryaman Baid	280000	0.32	0	280000	0.32	0	0

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
13	Arham Baid	280000	0.32	0	280000	0.32	0	0
14	Bhupendra Raj Mehta	1600	0.00	0	1600	0.00	0	0
15	Madhu Kothari	171200	0.19	0	171200	0.19	0	0
16	Vinay Kothari	56000	0.06	0	56000	0.06	0	0
17	Jai Polypan Pvt. Ltd.	3352000	3.80	0	3352000	3.80	0	0.
18	VCB Trading LLP	3641144	4.13	0	3641144	4.13	0	0
19	Polycure Martech Ltd.	0	0	0	10000	0.01	0	
	Total	43018552	48.75	0	43028552	48.76	0	0.01

**c) Change in Promoters' Shareholding (please specify, if there is no change)**

There has been change in the shareholding of Promoter Group of the Company. During the Year, Polycure Martech Limited acquired (Market Purchase) 10,000 (0.01%) shares in Poly Medicure Limited. Since the directors of Polycure Martech Limited are also promoters of Poly Medicure Limited by such acquisition Polycure Martech Limited is now included in promoter group category and necessary intimations/disclosures were given under SEBI Regulations. During the year 10,050 shares were issued under ESOP, 2015, the changes in promoters shareholding is due to the same.

**d) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>EZEKIEL GLOBAL BUSINESS SOLUTIONS LLP</b>				
	Opening Balance	12361320	14.01	12361320	14.01
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0	12361320	14.01
	Closing Balance			12361320	14.01
<b>2.</b>	<b>ZETTA MATRIX CONSULTING LLP</b>				
	Opening Balance	8319660	9.43	8319660	9.43
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0	8319660	9.43
	Closing Balance			8319660	9.43
<b>3.</b>	<b>SCG &amp; CO. LLP</b>				
	Opening Balance	3081184	3.49	3081184	3.49
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	(93536)	(0.11)	2987648	3.38
	Closing Balance			2987648	3.38

<b>4</b>	<b>VINODKUMAR HARAKCHAND DAGA</b>				
	Opening Balance	83000	0.09	83000	0.09
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	2382543	2.70	2465543	2.79
	Closing Balance			2465543	2.79
<b>5</b>	<b>NILAYKUMAR VINODKUMAR DAGA</b>				
	Opening Balance	1944328	2.20	1944328	2.20
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	45193	0.05	1989521	2.25
	Closing Balance			1989521	2.25
<b>6</b>	<b>MATTHEWS INDIA FUND</b>				
	Opening Balance	3594824	4.08	3594824	4.08
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	1799098	2.04	1795726	2.04
	Closing Balance			1795726	2.04
<b>7</b>	<b>ASHISH KACHOLIA</b>				
	Opening Balance	1753103	1.99	1753103	1.99
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	19681	0.02	1772784	2.01
	Closing Balance			1772784	2.01
<b>7</b>	<b>VARUN DAGA</b>				
	Opening Balance	1558224	1.77	1558224	1.77
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	830	0	1559054	1.77
	Closing Balance			1559054	1.77
<b>8</b>	<b>SHREANS DAGA</b>				
	Opening Balance	1550000	1.76	1550000	1.76
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	(123091)	0.14	1426909	1.62
	Closing Balance			1426909	1.62
<b>10</b>	<b>KJMC FINANCIAL SERVICES LTD</b>				
	Opening Balance	783996	0.89	783996	0.89
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	(57900)	(0.07)	726096	0.82
	Closing Balance			726096	0.82

## e) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>Himanshu Baid (Managing Director)</b>				
	Opening Balance	7907624	8.96	7907624	8.96
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0	7907624	8.96
	Closing Balance			7907624	8.96
<b>2.</b>	<b>Rishi Baid (Joint Managing Director)</b>				
	Opening Balance	9993048	11.33	9993048	11.33
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0	9993048	11.33
	Closing Balance			9993048	11.33
<b>3.</b>	<b>Devendra Raj Mehta (Chairman)</b>				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	0	0.00
	Closing Balance			0	0.00
<b>4.</b>	<b>Jugal Kishore Baid (Director)</b>				
	Opening Balance	2279376	2.58	2279376	2.58
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	2279376	2.58
	Closing Balance			2279376	2.58
<b>5.</b>	<b>Mukulika Baid (Director)</b>				
	Opening Balance	3062400	3.47	3062400	3.47
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	3062400	3.47
	Closing Balance			3062400	3.47
<b>6.</b>	<b>Prakash Chand Surana (Director)</b>				
	Opening Balance	2098	0.00	2098	0.00
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0	2098	0.00
	Closing Balance			2098	0.00
<b>7.</b>	<b>Shailendra Raj Mehta (Director)</b>				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	0	0.00
	Closing Balance			0	0.00

<b>8</b>	<b>Sandeep Bhargava (Director)</b>				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	0	0.00
	Closing Balance			0	0.00
<b>9</b>	<b>Alessandro Balboni (Director)</b>				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	0	0.00
	Closing Balance			0	0.00
<b>11</b>	<b>Jas Karan Sancheti Oswal (CFO)</b>				
	Opening Balance	37599	0.04	37599	0.04
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	319	0	37918	0.04
	Closing Balance			37918	0.04
<b>12</b>	<b>Avinash Chandra (Company Secretary)</b>				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2019 upto March 31, 2020	0	0.00	0	0.00
	Closing Balance			0	0.00

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15,037.24	---	---	15,037.24
ii) Interest due but not paid	33.50	---	---	33.50
iii) Interest accrued but not due	6.40	---	---	6.40
<b>Total (i+ii+iii)</b>	<b>15,077.14</b>	---	---	<b>15,077.14</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	7,925.34	---	---	7,925.34
* Reduction	4,001.51	---	---	4,001.51
<b>Net Change</b>	<b>3,923.83</b>	---	---	<b>3,923.83</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18,961.07	---	---	18,961.07
ii) Interest due but not paid	12.90	---	---	12.90
iii) Interest accrued but not due	6.21	---	---	6.21
<b>Total (i+ii+iii)</b>	<b>18,980.18</b>	---	---	<b>18,980.18</b>

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Himanshu Baid	Shri Rishi Baid	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,20,85,381	3,04,08,949	6,24,94,330
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	27,22,876	23,49,120	50,71,996
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	2,75,00,000	2,75,00,000	5,50,00,000
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	6,23,08,257	6,02,58,069	12,25,66,326
	Ceiling as per the Act	10% of Net Profit for all Executive Directors – Managing and Executive Director 5% of Net Profit to any one Managing or Executive Director		

Note: 1. Mr. Himanshu Baid was re-appointed as Managing Director for a term of 5 years on 23<sup>rd</sup> September, 2019.

2. Mr. Rishi Baid was re-appointed as Joint Managing Director for a term of 5 years on 23<sup>rd</sup> September, 2019.

**B. Remuneration to other directors**

(₹)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Devendra Raj Mehta	Prakash Chand Surana	Sandeep Bhargava	Shailendra Raj Mehta	
1	Independent Directors					
	Fee for attending board committee meetings	4,25,000	3,50,000	3,00,000	3,00,000	13,75,000
	Commission	9,00,000	9,00,000	9,00,000	9,00,000	36,00,000
	Others, please specify					
	Total (1)	13,25,000	12,50,000	12,00,000	12,00,000	49,75,000
2	Other Non-Executive Directors	Jugal Kishore Baid		Mukulika Baid		
	Fee for attending board committee meetings	2,75,000		2,75,000		5,50,000
	Commission	9,00,000		9,00,000		18,00,000
	Others, please specify					
	<b>Total (2)</b>	<b>11,75,000</b>		<b>11,75,000</b>		<b>23,50,000</b>
	<b>Total (B)=(1+2)</b>	<b>73,25,000</b>				<b>73,25,000</b>
	Total Managerial Remuneration	12,98,91,326				12,98,91,326
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		J. K. Oswal (CFO)	Avinash Chandra (CS)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,42,315	10,18,331	65,60,646
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,33,920	21,542	1,55,462
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	72,975	-	72,975
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify			
	<b>Total</b>	<b>57,49,210</b>	<b>10,39,873</b>	<b>67,89,083</b>

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act/ Indian Stamp Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**Annexure-3****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Board of Directors,  
**Poly Medicure Limited,**  
Property no. 232B, Third Floor,  
Okhla Industrial Estate Phase – III,  
New Delhi 110020

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Poly Medicure Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon I report that:-

- a. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.
- b. I have followed the Audit Practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d. Wherever required, I have obtained the management representation about the compliance of law, rules and regulations and happening of events etc.
- e. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to verification of procedures on test basis.

- f. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on my verification of the **Poly Medicure Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined all the documents and books, papers, minute books, forms and returns filed and other records maintained by **Poly Medicure Limited** ("the Company") for the Financial Year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under were duly complied for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings the Company has complied with for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 as disclosed by the management of the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - (a) The Securities and Exchange Board of India

- (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable as the Company was not required to file the disclosure under SEBI (SAST) Regulations, 2011 except annual disclosure which has been filed as stipulated as disclosed by the management of the Company.)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company.)**
- (c) The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009.
- (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended up to date);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the company has not issued and listed any debt securities under the regulations during the period under review).**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company is not registered as Registrar to issue and Share Transfer Agent during the period under review).**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not Applicable as the company is still listed on BSE and NSE and not applied for delisting during the period under review.)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable as the company has not bought back / proposed to buy-back any of its securities during the financial year ended on 31.03.2020 under review.)**
- (i) The company has complied with the requirements under the Equity Listing Agreements entered with the Bombay Stock Exchange Limited (BSE), NSE and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company).**
- (j) Drugs and Cosmetics Act, 1940 and applicable labour laws.
- (k) The Memorandum and Articles of Association.
- I have also examined compliance with the applicable clauses of the following:**
- i) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) w.e.f. 01.07.2015 (revised SS-1 and SS-2 w.e.f.01.10.2017).
- ii) The Listing Agreements entered into by the Company with the BSE and NSE.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.
- I further report that:**
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Adequate notices were given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda items were sent at least seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.
- **During the period under review, the Company has incorporated wholly owned subsidiary company namely, Plan1 Health India Private Limited with a capital of ₹ 1,00,000/- on 25.02.2020 and the same has been informed to the Stock Exchanges on 26.02.2020.**
- The company has complied with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend a sum of ₹ 214.74 lacs (including unspent amount of ₹ 46.28 lacs of previous year) and company has spent a sum of ₹ 237.72 lacs up to 31.03.2020.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules and Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

I further report that during the period, there were no instances of:

- (i) Public / Rights / Preferential Issue of Shares / Debentures / Sweet Equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation /reconstruction etc.
- (iv) Foreign technical collaboration.

**FOR P.K. MISHRA & ASSOCIATES**  
COMPANY SECRETARIES

**PAWAN KUMAR MISHRA**  
PROPRIETOR  
Membership No. FCS-4305  
COP No. 16222  
Date: 30-05-2020  
Place: New Delhi  
UDIN-F004305B000305056

**Annexure-4****Particulars of Loans, Guarantees or Investments under Section 186**❖ **Details of Investments as on 31<sup>st</sup> March, 2020**

S. No.	Name of Company	Relationship	Amount (₹ in Lacs)
1	Plan1 Health India Private Limited*	Subsidiary	1.00
2	Poly Medicure (Laiyang) Co. Ltd. China*	Subsidiary	472.39
3	Poly Medicure B.V., Netherlands*	Subsidiary	3417.79
4	Ultra for Medical Products Company (ULTRAMED), Egypt*	Associate	88.67

\*Exempt under section 186 of the Companies, Act, 2013

❖ **Details of Loans outstanding during the year ending 31<sup>st</sup> March, 2020**

The Company has no outstanding Loans as on 31<sup>st</sup> March, 2020.

❖ **Details of Guarantees as on 31<sup>st</sup> March, 2020**

The Company has not issued any Corporate Guarantee.

**Annexure-5****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS**

- (a) Name(s) of the related party and nature of relationship: **NA**
- (b) Nature of contracts/arrangements/transactions: **NA**
- (c) Duration of the contracts / arrangements/transactions: **NA**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**

(e) Justification for entering into such contracts or arrangements or transactions: **NA**

(f) Date(s) of approval by the Board: **NA**

(g) Amount paid as advances, if any: **NA**

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NA**

**2. Details of material\* contracts or arrangement or transactions at arm's length basis:**

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.)

(a) Name(s) of the related party and nature of relationship: **M/s. Vitromed Healthcare, Jaipur**

- (b) Nature of contracts/arrangements/transactions: **Job work Contract**
- (c) Duration of the contracts / arrangements/transactions: **3 (Three) Years i.e. F.Y. 2018-19 to 2020-21.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees for job work contracts for some of the products and components of Medical Devices and their components to M/s Vitromed Healthcare (The Firm) and the Firm agrees to manufacture the same on Job work basis. The maximum amount of the Contract shall be Rs. 60 Crore in Financial Year 2018-19, Rs. 75 Crore in Financial Year 2019-20 and Rs. 90 Crore in Financial Year 2020-21.**
- (e) Date(s) of approval by the Board, if any: **1<sup>st</sup> August, 2018.**
- (f) Amount paid as advances, if any: **No Advance**

For and on behalf of **Board of Directors**

New Delhi  
30<sup>th</sup> July, 2020

D. R. Mehta  
Chairman

Himanshu Baid  
Managing Director

## Annexure-6

### ANNUAL REPORT ON CSR PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.**

In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its meeting held on 15<sup>th</sup> May, 2014, has approved a CSR Policy of the Company.

In accordance with the primary CSR philosophy of the Company and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as Eradicating hunger, poverty and malnutrition, Promoting Health Care, Promoting gender equality and empowering women, supporting education and healthcare.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company [http://www.polymedicure.com/wp-content/uploads/2015/03/CSR\\_Policy\\_2015.pdf](http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf).

2. **The composition of CSR committee**

As at 31<sup>st</sup> March, 2020, the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board, all of them are Non-Executive Directors. The Chairman of the Committee is an Independent Director.

S. NO.	NAME	DESIGNATION
1	Shri Devendra Raj Mehta	Chairman
2	Shri Jugal Kishore Baid	Member
3	Smt. Mukulika Baid	Member

3. **Average net profit of the Company for last three FY**

The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2018-19, 2017-18, 2016-17) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 8,423.24 Lacs.

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**

The prescribed CSR Expenditure to be incurred during the financial year i.e. 2019-20 is ₹ 168.46 Lacs.

5. **Details of CSR spent during the FY**

- (a) Total amount to be spent for the FY = ₹ 237.72 Lacs
- (b) Amount unspent = NIL
- (c) Manner in which the amount spent during the FY is detailed below:

(₹ in Lacs)

S. No	CSR Project or activity defined	Sector in which the project is covered*	Projects or programs	Amount Outlay (budget) project or program wise	Amount spent on the projects or program	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	On Providing food and related services	(i)	Eradicating Hunger, poverty and malnutrition	10.00	3.33	3.33	THE AKSHYAPATRA FOUNDATION
2	On Promotion of Healthcare	(i)	Promoting healthcare including Preventive Healthcare through awareness programmes	20.00	4.50	4.50	BHAGIRATHI SEVA PRANYAS, PROJECT BALA, TERAPANTH YUAK PARISAD TRUST, LUNG CARE FOUNDATION
3	On Promotion of Education	(ii)	Promoting education and employment enhancing vocation skills	120.00	157.29	157.29	ROTARY CLUB, JAIPUR, SHRI JAIN SHEWTAMBER TERAPANTH SHIKSHA SAMITI, PRAKRAT BHARATI ACADEMY
4	On Welfare for disabled person and social welfare	(ii)	Employment enhancing vocation skills among children, women and differently abled	51.00	32.10	32.10	SHRI BHAGWAN MAHAVEER VIKLANG SAHAYATA SAMITI, SAMARPAN SANSTHAN
5	Animal Protection	(iv)	Ensuring environmental sustainability and ecological balance	20.00	40.50	40.50	HARE KRISHNA MOVEMENT
	<b>Total</b>			<b>221.00</b>	<b>237.72</b>	<b>237.72</b>	

\* Sector refers to the Entries specified in Schedule VII to the Companies Act, 2013.

6. In case the company has failed to spend the 2% of the average net profit of the last three FY or any part thereof, the company shall provide the reason for not spending the amount in its board report.

in compliance with CSR objectives and Policy of the Company.

Not Applicable

For and on behalf of Board of Directors

7. **Responsibility Statement**

The implementation and monitoring of CSR Policy, is

30<sup>th</sup> July, 2020  
New Delhi

D. R. Mehta  
Chairman

Himanshu Baid  
Managing Director

**Annexure-7****(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<ul style="list-style-type: none"> <li>– Ratio of the remuneration of Shri Himanshu Baid, Managing Director to the median remuneration of the employees – 212 :1</li> <li>– Ratio of the remuneration of Shri Rishi Baid, Joint Managing Director to the median remuneration of the employees – 206: 1</li> <li>– Ratio of the remuneration of Shri Jas Karan Oswal, CFO – 20 : 1</li> <li>- Ratio of the remuneration of Shri Avinash - Chandra, CS – 4 : 1</li> </ul>
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<ul style="list-style-type: none"> <li>– Shri Himanshu Baid, MD – 37.14%</li> <li>– Shri Rishi Baid, JMD – 36.63%</li> <li>– Shri Jas Karan Oswal, CFO – 9.06 %</li> <li>– Shri Avinash Chandra, CS – 13.97 %</li> </ul>
(iii)	Percentage increase in the median remuneration of employees in the financial year	7.40 %
(iv)	Number of permanent employees on the rolls of company	2,034 Employees
(v)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

**(B) STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

During the year under review following were the top ten employees in terms of remuneration drawn.

S. No.	Name/ Designation	Age	Qualification & Experience (in Years)	Date of commencement of Employment	Nature of Employment	Remuneration received	Last Employer & Designation Head	%age of Equity share holding	Whether, employee is the relative of other Director(s), if so, name of such Director
1	Shri Vishal Baid, President (Corporate Sales & Marketing)	46	CA 19 years	01.06.2011	Contractual	1,06,48,062/-	Self-Employment	3.26 % (includes wife shareholding)	Shri J.K. Baid Smt. Mukulika Baid Shri Himanshu Baid Shri Rishi Baid
2	Shri Manish Sardana, President (Sales & Marketing - India)	48	B. Pharma, MBA, 22 years	02.01.2019	Non Contractual	74,93,091/-	Terumo India Pvt. Ltd., as Director	-	No
3	Shri Hemant Bhalla V.P (Sales & Marketing)	61	BSc., Dip. in Business Management & Ind. dmn.) 39 Years	06.09.2006	Non Contractual	51,93,615/-	Self-Employment	-	No
4	Shri Sujit Kumar Gupta Sr. G.M. (Export)	46	B Com. PGDIB, EMBA 21 Years	13.09.1999	Non Contractual	50,73,009/-	-	-	No
5	Shri Pankaj Kumar Gupta Sr. G.M. (R&D)	53	BE (Tool Engg.) 31 Years	18.02.2008	Non Contractual	43,97,666/-	Eastern Medikit Ltd., as Manager	-	No
6	Shri S.S. Rawat Sr. G.M. (QA)	55	BSc. and MBA 34 Years	06.07.2009	Non Contractual	43,33,663/-	Ind-Swift Ltd, as Senior Manager (QA)	-	No
7	Shri Rakesh Bothra Sr. G.M. (Shipping & Logistics)	49	B.Com. (H), CA (Inter) 29 Years	27.11.2002	Non Contractual	39,63,538/-	BIDM Asia Pacific Systems P. Ltd. as Accounts Manager	-	No
8	Abhinav Dixit Deputy General Manager, Sales and Marketing (Domestic)	41	B.E , Executive Post Graduation Diploma in International Business Strategy, 19 Years	01.07.2017	Non Contractual	34,87,209/-	Boyle Healthcare Pvt,Ltd,Media Systems Private Ltd,FreseniusKabi India Pvt. Ltd, Nexogenix Life Sciences Pvt. Ltd.	-	No
9	Nitin Taran Jain, Deputy General Manager, (R&D)	44	CIPET 23 Years	01.08.2019	Non Contractual	30,51,968/-	Jaypee Autoplast, Sumi Motherson Integrated Technologies Ltd,Motherson Sumi infotech and Designe Ltd, SMILEL, A unit of Motherson Sumi Systems Ltd, Motherson Automotive Technologies and Engg. Ltd.	-	No
10	Rishal khan, Deputy General Manager (Supply Chain)	50	B.Sc, PGDCA, 26 Years	24.06.1996	Non Contractual	25,46,580/-	Escorts J C B Limited, HOODA PRINTGRAPHICS	-	No

Persons employed for the full year ended 31<sup>st</sup> March 2020 who were in receipt of the remuneration which in the aggregate was not less than ₹1,02,00,000/- p.a.

S. No.	Employee Name	Designation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
1	Shri Himanshu Baid	Managing Director	623.08	Electronics Engineer	31	20 <sup>th</sup> September, 1996	51	Hanuman Tin Factory as Manager
2	Shri Rishi Baid	Joint Managing Director	602.58	BSME, MSME	26	1 <sup>st</sup> August, 1997	47	Miles Pharma Inc. USA as Engineer

Persons employed for part of the year ended 31<sup>st</sup> March, 2020 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

S. No.	Employee Name	Designation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
N.A.								

**Notes:**

1. Remuneration includes salary, allowances, Company's contribution to provident fund, commission, retirement benefits and monetary value of perquisites. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 2013.
2. The nature of employment in all cases is contractual. The other items and conditions are as per the companies rule.
3. Shri Himanshu Baid, Managing Director is related to Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Rishi Baid, Joint Managing Director.
4. Shri Rishi Baid, Joint Managing Director is related to Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Himanshu Baid, Managing Director.

## Annexue-8

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### Healthcare Sector: A Snapshot

The healthcare sector is among one of the most important and fastest growing sector worldwide. Key growth drivers are demographic trends (population growth and ageing), medical progress and the resulting innovations, rising prosperity (especially in emerging markets), and improved access to medical products and services. In addition, there is a great need for new therapies for a steadily increasing number of diseases. Innovation in products, services and business models remains strong.

Over \$7.8 trillion is spent on healthcare globally. With the healthcare sector growing significantly faster than the overall global economy, these numbers will certainly be much bigger by the end of the decade. In the emerging markets, rising prosperity is further generating above-average growth. Moreover, there is still a great need for new and efficient drugs and therapies.

Healthcare has become one of India's largest sectors - both in terms of revenue and employment. Healthcare comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. Indian healthcare delivery system is categorised into two major components

1. Public
2. Private

The Government, i.e. public healthcare system comprises of limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas.

The private sector provides majority of secondary, tertiary and quaternary care with a major concentration in metros, tier I and tier II cities.

India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. India ranks 145<sup>th</sup> among 195 countries in terms of quality and accessibility of healthcare.

#### Indian Medical Device Industry

Medical Device Industry (MDI) is a multi-product diversified engineering industry ranging from simple

tongue depressors and glucometer strips to large radiology and electronic modules.

- Global market for medical devices is over USD 300 billion. The Medical devices industry in India is presently valued at USD 10-12 billion.
- The sector is growing at an annual compound growth rate of 15.8%.
- With the government allowing 100 percent foreign direct investment, the past years saw many foreign players entering the Indian Medical Device market under the automatic route bringing in Innovative products and setting up manufacturing units in the country.
- With 1.3 billion people and a new regulatory regime aimed at luring industry, India's medical device market seems primed for growth.

The sector is highly import dependent with over 70% of the requirements being met through imports. Considering huge import dependency and immense growth potential, Government of India (GoI) has included Medical Device sector in its flagship "Make in India" initiative to give this sector a structured push and policy impetus.

All Medical Devices are not regulated in India and therefore in absence of holistic regulatory regime, Made in India medical devices lack credibility and market acceptance. The regulatory policies in the country are evolving and are being closely monitored by the world.

#### Growth Drivers for Indian Medical Device Industry

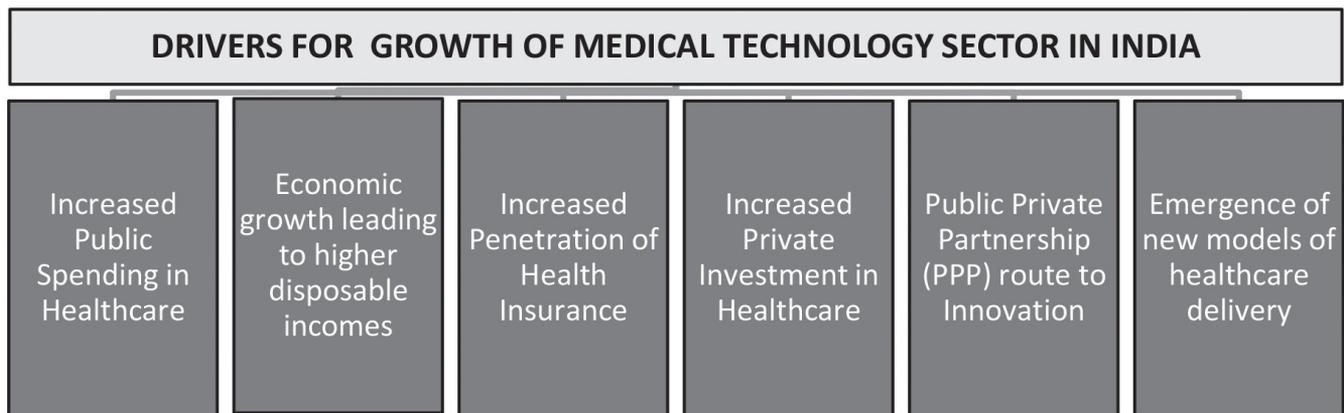
Having seen tremendous improvement since independence, healthcare in India is still a critical subject and we have a long way to attain universal healthcare beyond the country's demographic, geographic and socio-economic diversity. Several targeted government initiatives have been able to achieve reduction in mortality rates and control widespread communicable diseases; however, burden of Non-Communicable Diseases (NCDs) is ever increasing.

Public sector investment on healthcare in India is one of the lowest globally, accounting for only 30% of the total healthcare expenditure in the country. Out-of-pocket expenditure accounts for 62% of the total healthcare

spending against a global average of 18%. Though only 27% of the Indian population is covered by health insurance at present, penetration of the health insurance has been increasing over the years. (Source:<http://www.ficci.in/sector-details.asp?sectorid=108>)

The country needs to address the rural-urban divide in concentration of healthcare services, access to basic primary healthcare services, shortage of beds and skilled medical

professionals, increasing burden of NCDs and quality concerns in healthcare, on priority. India is also witnessing the emergence of conscious, informed and tech-savvy healthcare consumers and consequently, the healthcare ecosystem needs to adapt to a patient-centric model to demonstrate greater sensitivity, understand patient expectations, engage with them and provide customised services.



(Source:[http://ficci.in/sector/76/Project\\_docs/Medical\\_Devices\\_and\\_Equipment\\_Sector\\_profile.pdf](http://ficci.in/sector/76/Project_docs/Medical_Devices_and_Equipment_Sector_profile.pdf))

**The Private and Foreign Investments**

International companies in this field are also using India as a manufacturing base by either setting up facilities of their own or by acquiring domestic manufacturers. Medical Technology Parks have been proposed by the Government of India in addition to the existing parks to encourage domestic manufacturing of medical equipment. FDI inflow will spur R&D and manufacturing innovations, in turn increasing the efficiency and effectiveness of medical electronic products.

**Rising Demand for Medical Devices**

Numerous healthcare programmes have been expanded to support locally produced goods. In 2015, under National Health Mission, a new scheme for providing physical aids and assisted living devices for senior citizens living below the poverty line was launched (Ameel, 2015). Subsequently, in 2016, the ‘National Dialysis Services Programme’ was launched to provide dialysis services in 219 district hospitals with 2039 machines via PPP model.

The program was free for people below poverty line but provided services to other patients at a subsidized rate. Under ‘Free Diagnostics Programme’. Moreover,

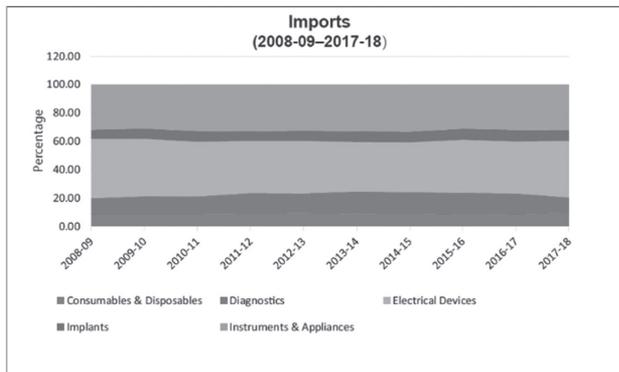
since the government is the largest individual buyer of any given product, there has been provision to give preferential procurement to locally produced goods under the government’s e- market portal. In 2017, ‘Public Procurement Order’, was issued by Department of Industrial Policy and Promotion (DIPP). It designated the Department of Pharmaceuticals (DoP) to implement the policy. DoP has proposed that depending on the category of the device, domestically sourced components must contribute to 25-50 per cent of the cost of medical devices to qualify for public tenders. The per cent is expected to increase incrementally over the years.

The World’s largest government funded healthcare Schemes, Ayushman Bharat was launched on September 23<sup>rd</sup> 2018.

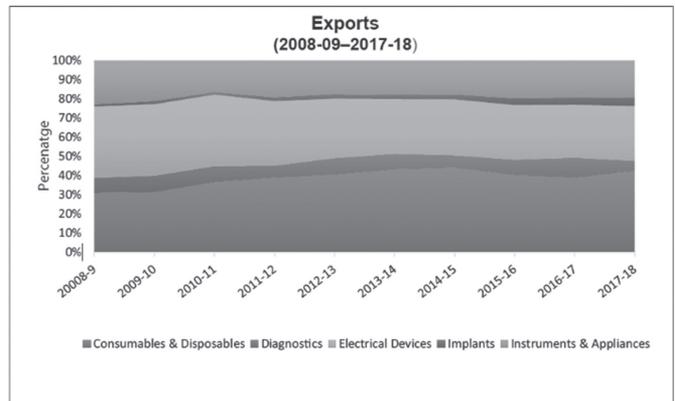
**Import dependency**

The below two graphs demonstrate that higher technology products such as electronic and electric devices form the major share of import into the country, while low technology and low value consumable and disposables constitute major exports from India.

Graph 8: Imports Export of different categories of medical devices from 2008-09 to 2017-18



Data Source: Comtrade



Data Source: Comtrade

**PROMOTION OF THE SECTOR BY THE GOVERNMENT**

The government is expected to develop a regulatory structure leading to quality products being developed by manufacturers. However, the current regulatory structure lacks active participation from the government but with the increase in competition in the sector, this is just a matter of time. The last few years have seen an increase in domestic manufacturing of medical equipment. With impetus from Government of India schemes, India is beginning to look forward to being recognized as a manufacturing destination for sophisticated medical technology.

Now with impactful technologies and artificial intelligence bringing in a convergence across healthcare products and industry segments, the medical devices industry is set for some revolutionary changes in the next few years.

**Government Initiatives for the Medical Devices Sector**

The Ministry of Electronics and Information Technology has established infrastructure to support R&D for electronic devices such as MRIs, Electronic Health Records and assisted devices. Examples include the National Resource Centre for telemedicine and Bio Medical Informatics at Sanjay Gandhi Postgraduate Institute of Medical Sciences, Lucknow, and medical electronics lab for calibration, repair and maintenance of medical electronics equipment at National Institutes of Electronics & Information Technology (NIELIT) at Imphal, Aizawl, Agartala, Shillong and Kohima. Moreover, a facility for batch fabrication of Linac Tubes at SAMEER, Khargar Campus Navi Mumbai and an ICT centre of excellence on Tactile Graphics at IIT Delhi was also set up (MEITY, 2018). Various schemes have also been proposed to support electronic medical devices manufacturing in the recent National Policy on Electronics, 2019.

Further to support testing and ensure safety and efficacy of medical devices the Union government proposed to set up two dedicated medical device testing laboratories in the country at Vadodara in Gujarat and Noida in Uttar Pradesh, based on a survey conducted by National Health Systems resource Centre (NHSRC) (IMT News Desk, 2017).

The Stanford–India Biodesignprogramme of Department of Biotechnology continued for twelve years. The complete value chain from product innovation to commercialisation has been facilitated and resulted in nearly 40 medical devices and diagnostics, some of which have received USFDA clearances (Min. S&T,GOI, n.d.). As an outcome, more than 100 innovators have been trained (ibid). Several national and international patents have been filed.

A Healthcare Technology Innovation Centre (HTIC) at IIT-Madras was established with the help of DBT (HTIC, n.d.). This center has delivered innovations and technologies that have been commercialised through government and industry partnerships to benefit society at large. Some of the technologies developed under HTIC are: a) Eye-PAC, the comprehensive ophthalmic image computing platform; b) ARTSENSTM, the vascular screening technology; c) an improved design for a Neonatal Transport Unit, d) a highly efficient, practical and useful technology for performing accurate contouring of surgical plates used in reconstruction surgery; e) to evaluate feasibility and appropriateness of Liquid Based Cytology (LBC) in cervical cancer screening in resource-constrained settings of India; and f) wearable health status monitor for Chronic Obstructive Pulmonary Disorder (ibid). The HTIC has established collaborations with various industries.

In February 2020, the Medical Devices Rules were amended and it further included 14 additional devices to monitor a total of 37 devices. It was also decided to regulate all medical devices over a period of three and half years.

The Medical Device Rules 2017 that took effect two years ago seek to bring the sector in line with global standards and practices.

There is a provision under Para 32 of DPCO 2013 to exempt those medical devices from price control for five years which are developed through indigenous research and patented under the Indian Patents Act, 1970 (Department of Pharmaceuticals, 2013). The Department of Pharmaceuticals is considering a proposal to ensure this. If this should happen, it will provide added incentive for R&D and innovation in the country.

Recent Government Initiatives:

- The government has announced Rs 69,000 crore (US\$ 9.87 billion) outlay for the health sector that is inclusive of Rs 6,400 crore (US\$ 915.72 million) for PMJAY in Union Budget 2020-21.
- The Government of India approved the continuation of National Health Mission with a budget of Rs 34,115 crore (US\$ 4.88 billion) under the Union Budget 2020-21.
- The Government of India aims to increase healthcare spending to three percent of the Gross Domestic Product (GDP) by 2022.
- Under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), allocation of Rs 3,000 crore (US\$ 429.25 million) made under Union Budget 2020-21.

(Source: <https://www.ibef.org/industry/healthcare-india.aspx>)

- The PM CARES Fund Trust has allocated ₹2,000 crore for supply of 50,000 “Made-in-India” ventilators to government-run COVID hospitals in all States/UTs

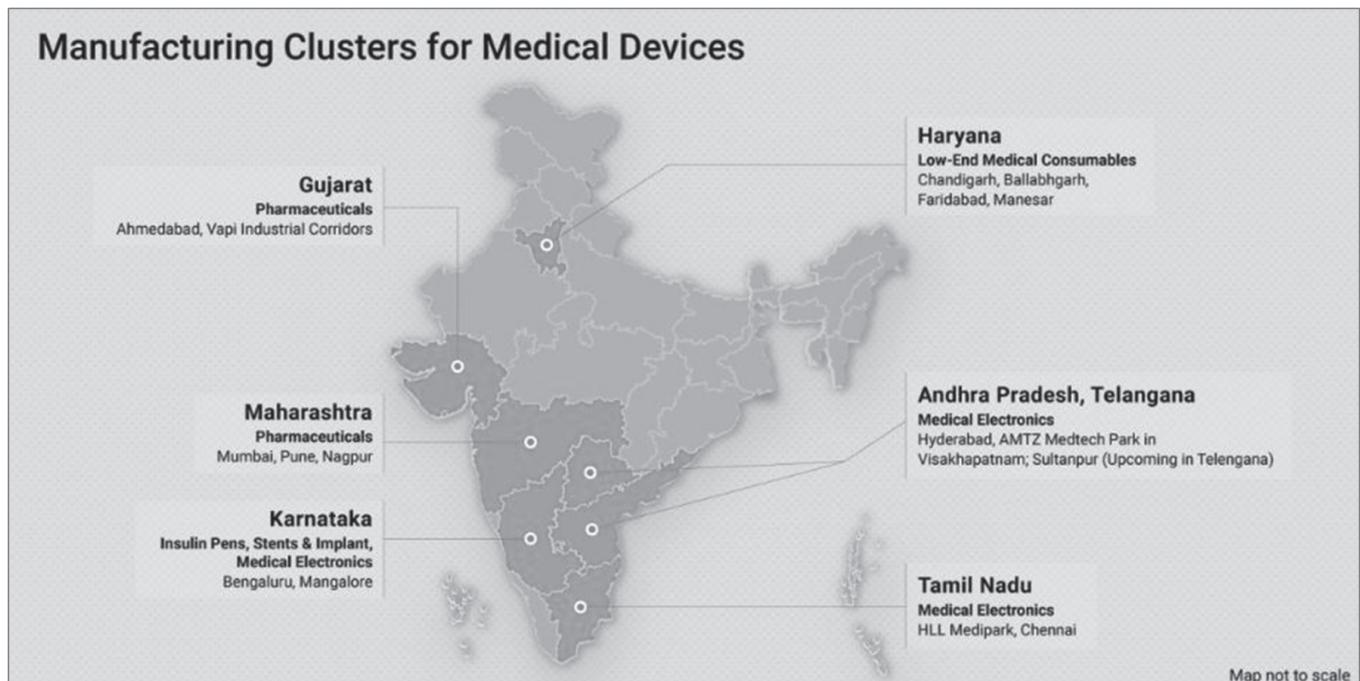
- Health cess 5% announced in the union budget to protect domestic manufacturing – fund collected will be used to upgrade healthcare infrastructure.

### **COVID-19: AN OPPORTUNITY FOR INDIA'S MEDICAL DEVICES MANUFACTURING SECTOR**

The COVID-19 pandemic has brought businesses and daily human activities around the world to a standstill. This has impacted the manufacturing sector due to lockdowns across several countries around the world. As per a report published by the World Economic Forum (WEF), factory activity contracted sharply across most of the Asian countries in March including Japan, South Korea and China. While China is known as the manufacturing hub of the world, the current crisis has led to supply chains being disrupted for several firms which had their manufacturing base in the country. Taking this opportunity, Japan has announced a \$2.2 billion monetary support for its businesses to shift its manufacturing and production out of China. Similar plans are being made by Indian government as well. In recent news, 1000 foreign firms were mulling to shift production out of China to India and were in touch with several government officials. With NITI Aayog and the Department for Promotion of Industry planning to offer incentives to attract such companies, this is an opportune time for India to rise as a manufacturing hub for Medical Devices.

Govt informed that the availability of testing facilities related to COVID-19, personal protective equipment, isolation beds, ICU beds, ventilators and other necessary tools are being increased rapidly. Underlining that health services should be the only priority of state governments at this time, Govt. has made a provision of Rs 15,000 crore to strengthen the country's health infrastructure to tackle coronavirus.

(Source: <https://www.outlookindia.com/website/story/india-news-coronavirus-rs-15000-crore-allocated-to-strengthen-countrys-healthcare-declares-pm-modi/349372>)



(Source: <https://www.investindia.gov.in/sector/medical-devices>)

The outbreak of Coronavirus has presented us with unique opportunities to have allowed rapid investment and innovation in the Indian Medical Devices sector.

- More than 500 new companies ventured into Medical Devices – PPE's/Ventilators/Masks/Face Shields/VTM Kits etc - in last 3-4 months which proves that India has the ability to quickly innovate & adapt to new technologies.
- Situation has enforced competitors to collaborate in ways never expected. Companies are working together in multilateral collaborations, some formal and some informal, to boost innovation.
- To make the most of the opportunities, we are focusing on the growth prospects in the fast-growing segments like – Diagnostics, Respiratory Care and Renal Care
- Our priority now is to collaborate and work closely with all stakeholders such as the government, private sector as well as the medical research fraternity to develop new products.

Post-pandemic, situation in India can be different. The government needs to continue its proactive efforts to create a more conducive environment for global and domestic

manufacturing of medical devices. It will be important for India to re-strategize a long-term roadmap for promoting the Medical Devices industry.

The Indian government has recently announced several initiatives and policy measures to boost the medical devices sector, there is more potential to build policy certainty to accelerate growth of the sector.

- On 27<sup>th</sup> July 2020, government has notified Rs. 3820 Crore incentive schemes for promoting domestic manufacturing of Medical Devices:
  1. Production Linked Incentive Scheme for Medical Devices Sector
- Rs. 3420 Crore, Incentive linked with threshold investment and incremental sales over base year.
- Minimum Rs.180 Crore investment by one unit
- Rate of Incentive - 5% on incremental sales from FY 2021-22 to 2025-26
- Direct employment generation of approx. 18,000

2. Scheme for Promotion of Medical Device Parks (Similar on the lines of AMTZ)
  - Grant-in-aid of Rs. 100 Crore each to 4 Medical Device parks
  - Easy access to world class common infrastructure facilities
  - Direct employment generation of approx. 1,40,000

The response to the pandemic offers an opportunity to bring about structural changes in India's health policy & regulations and reduce India's dependence on imports of medical devices which is currently over 70%.

The governments roadmap should focus on innovation and research & development as a strong pillar of building India's best-in-class manufacturing ecosystem. We are sure India can emerge as a significant medical device manufacturer and become a factory for the World like the Pharma Industry.

Innovation and digital transformation in healthcare isn't just about the technological evolutions, it's about the challenges and gaps we need to address in healthcare, across the ecosystem and build a viable healthcare model, leveraging technologies and gigantic sources of unstructured data and information.

The newer technologies, such as Robotic surgeries, artificial intelligence, tele medicine, home care offer great advantages. The future of healthcare lies in working hand-in-hand with technologists and healthcare professionals.

The novel coronavirus outbreak has taught us the importance of local manufacturing, local market, and local supply chain. The government's new mantras "vocal for local" and "atmanirbharbharat" are opening new opportunities in the Indian Medical Devices sector.

### Overview of the Company

The Company is one of the leading manufacturers and exporter of medical devices with dominant position in disposable medical devices market. We understand the vitality of healthcare sector and bringing quality products with the latest technology has been our mission since the day of our inception. Our drive comes from our compassion for saving lives and building a healthier and a happier society.

The Company produces variety of products in the segment of Oncology, Infusion Therapy, Dialysis, Respiratory Care,

Urology, Gastroenterology, Blood Management System, Blood Collection System, Surgery and Wound Drainage, Anesthesia etc. We believe in making high quality, safe and innovative medical devices and empowering the medical fraternity in being effective and efficient in their work.

During the year we have received "Star Performers Award" by **EEPC India Regional Award** (Northern) for Export Excellence on 20<sup>th</sup> July, 2019, Shimla, Himachal Pradesh. Also we have awarded "Industrial Innovation Award" by Confederation of Indian Industries (CII) on 18<sup>th</sup> Dec, 2019 for securing place among the **top 25 innovative companies in 2019**.

### Business Operations and Manufacturing Facilities

#### India

We have a strong track record of manufacturing high quality medical devices in 8 state-of-the-art manufacturing facilities across the world. We have 5 manufacturing facilities in India (3 facilities in Faridabad and 1 each in Jaipur and Haridwar). Polymed manufactures more than 125 products using state of the art technology in ultra-modern facilities & state of art technology covering over 400,000 square feet of manufacturing floor space with about 100,000 square feet of cleanrooms of class 100,000 to class 1,000 (ISO Class 7 & 8). An R&D center with modern facilities supports the development process. A high degree of automation and an effective process control helps in delivering consistent product quality.

#### Foreign Facilities

In China, We operate our manufacturing facility in Laiyang-Qingdao, China, through Poly Medicure (Laiyang) Co. Ltd, our wholly owned subsidiary. This facility commenced commercial operations in fiscal 2010 and is spread over an area of 10,913 square meters. The total manufacturing area includes a clean room area of 1,006.40 square meters. In Egypt, we hold 23% equity interest in Ultra for Medical Products, Egypt that operates a manufacturing facility in Assuit, Egypt for disposable medical devices. It is spread over an area of 12,500 square meters. In Italy, Company has wholly owned step-down subsidiary Plan1 Health s.r.l., an Italy based manufacturing Company.

#### Manufacturing Process & Technology

We use highly sophisticated equipment's and technology to manufacture medical devices under clean room conditions. The utilization of automated equipments and state of the art technology helps to make most cost effective devices.

To keep pace with the ever-changing market requirements, Polymed has a fully staffed and highly equipped R&D section approved by Ministry of Science & Technology Government of India to design & develop new and innovative products from Design to production in a short period using rapid prototyping 3D printer CAD/CAM technology including machines like CNC wire cut, EDM and Vertical Machining Centers.

### Research and Development

R&D is necessary to keep pace with the technological developments and maintain competitive edge in the current business scenario. R&D is responsible for adding new innovative products in our product portfolio. It also helps to improve and innovate the existing products.

As a part of development process, R&D team interacts with various functions and departments to understand the requirements of the consumers and create products with innovative features. R&D team also works on improving the materials & processes important to product quality. Wide range of softwares and world class machines assist in R&D activities.

### Sales and marketing network

The company sells its products in more than 110 countries. Exports contributes to approx. 70% revenue of the company. Balance revenue comes from India business, which is supported by over 250 peoples engaged in sales and marketing, product trainings, clinical trainings and supply chain managements. Companies products are used in more than 4000 hospitals in the country. The supply chain network is ably supported by distributors, dealers and agents across the country.

### Financial Performance (Consolidated) Income

The Company's total revenues comprise revenue from operations and other income.

Total revenue increased from ₹ 62,909.24 lacs in fiscal 2019 to ₹ 70,570.24 lacs in fiscal 2020 i.e. 12.18 % and this is primarily due to growth in our revenue from operations, for reasons described below.

### Revenue from Operations

The Company's net revenue from operations increased from ₹ 61,082.53 lacs in fiscal 2019 to ₹ 68,723.90 lacs in fiscal 2020, which was primarily due to increased sales of our products.

Sale of products increased from ₹ 59,100.89 lacs in fiscal

2019 to ₹ 66,926.16 lacs in fiscal 2020 primarily on account of increase in sales of our products, including from the continued sale of our medical devices Infusion therapy products and blood management products.

Other operating revenues decreased from ₹ 1981.64 lacs in fiscal 2019 to ₹ 1797.73 lacs in fiscal 2020.

### Other Income

Other income increased from ₹ 1,826.71 lacs in fiscal 2019 to ₹ 1846.34 lacs in fiscal 2020 primarily on account of increase in interest income and gains on net foreign exchange fluctuations.

### Expenses

The Company's total expenses increased from ₹ 53,041.67 lacs in fiscal 2019 to ₹ 58,211.98 lacs in fiscal 2020.

### Cost of raw materials including packing materials consumed and purchase of stock-in-trade

Cost of raw materials including packing materials consumed (which includes plastic granules, PVC sheets, boxes, medical paper and film) and purchase of stock-in-trade increased from ₹ 20,866.39 lacs in fiscal 2019 to ₹ 21,704.50 lacs in fiscal 2020 due to increased production.

### Employee Benefit Expenses

Employee benefit expenses increased from ₹ 11,660.71 lacs in fiscal 2019 to ₹ 13,876.44 lacs in fiscal 2020, primarily due to an increase in the salaries, wages and bonus, and on account of increase in the number of employees from 1,952 as on March 31, 2019 to 2,034 as on March 31, 2020.

### Research and development expenses

Research and development expenses increased from ₹ 1,014.90 lacs in fiscal 2019 to ₹ 1,194.24 lacs in fiscal 2020, primarily on account of increase in employee benefits expenses for research and development. As a percentage of our total revenue, research and development expenses increased from 1.61% in fiscal 2019 to 1.69 % in fiscal 2020.

### Other Expenses

Other expenses increased from ₹ 14,595.39 lacs in fiscal 2019 to ₹ 15,552.59 lacs in fiscal 2020, primarily on account of increase in job work charges, power and fuel expenses and other manufacturing expenses.

### Earnings before interest, tax and depreciation

The Company's EBITD increased from ₹ 14,911.73 lacs in fiscal 2019 to ₹ 18,456.54 lacs in fiscal 2020. This is 26.15 % of total revenue as against 23.70 % in previous year.

### Depreciation and amortization expenses

The Company's depreciation expenses increased from ₹ 3,729.22 lacs in fiscal 2019 to ₹ 4,052.78 lacs in fiscal 2020 due to more capitalization in existing plant as well as new plant.

### Finance costs

The Company's finance costs increased from ₹ 1175.06 lacs in fiscal 2019, to ₹ 1831.43 lacs in fiscal 2020, primarily on account of increase in borrowings.

### Profit Before Tax

The Company's profit before tax increased from ₹ 10,007.45 lacs in fiscal 2019 to ₹ 12,572.33 lacs in fiscal 2020.

### Tax Expenses

Tax expenses decreased from ₹ 3,467.55 lacs in fiscal 2019 (which consist of current tax of ₹ 3,085.58 lacs, deferred tax of ₹ 293.27 lacs and Tax adjustment for earlier years ₹ 88.70 lacs) to ₹ 2,984.54 lacs in fiscal 2020 (which consist of current tax of ₹ 3,317.28 lacs, deferred tax of ₹ (384.10) lacs and Tax adjustment for earlier years ₹ 51.36 lacs) primarily due to decrease in the tax rate for fiscal 2020.

### Share of profit from associates

Share of profit from our associate Ultra for Medical Products Company (ULTRAMED) Egypt, increased from ₹ 139.88 lacs in fiscal 2019 to ₹ 214.07 lacs in fiscal 2020.

### Profit for the Year

For the various reasons discussed above, profit for the year increased from ₹ 6,539.90 lacs in fiscal 2019 to ₹ 9,587.79 lacs in fiscal 2020. This is 13.59% of total revenue as against 10.40% in previous year.

### Risks Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted a Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same has been modified in accordance with the regular requirements.

The Company has robust risk management procedures to identify and evaluate risks on an ongoing basis. Risks are inherent in business activities and to effectively and efficiently mitigate risks, the Company has implemented a framework: -

- Strategic Risks
- Compliance Risks
- Operational Risks
- Reporting obligations and
- Environment, Health and Safety Risks

IT Governance & Enterprise Risk Management

- Management of Risks relating to Sensitive Information Leakage
- Business Continuity and disaster recovery

The identified risks are integrated into the business plan and a detailed action plan is laid out to mitigate the identified business risks and concerns.

### Risk Management Committee

The Board of Directors have constituted a Risk Management Committee in Compliance with SEBI(LODR) Regulations. Following are the Members of the Committee:

1. Mr. Sandeep Bhargava
2. Mr. Himanshu Baid
3. Mr. Rishi Baid

### Internal Control System & Adequacy

The Company is conscious of the importance of the internal processes and controls. The Company has a robust business planning & review mechanism and has adequate internal control systems commensurate with the nature of its business and size. These systems are regularly reviewed and improved upon. The Key Management has certified to the Board on matters relating to financial reporting and related disclosures, compliance with relevant statutes, Accounting Standards and adequacy of internal control systems.

The Company has a detailed budgetary control system and actual performance is reviewed periodically and decisions are taken accordingly.

These systems are supported by documented policies and procedures so that all the applicable rules and regulations are complied with; that all transactions are authorized, recorded and reported correctly and adequately and that all the assets of the company are safeguarded and there is no unauthorized use thereof.

### Related party transactions

The Company has formulated a Policy on Related Party Transactions and manner of dealing with related party transactions which is available on the Company's website at the link: [www.polymedicure.com](http://www.polymedicure.com). All related party transactions entered into during FY 2019-20 were on an arm's length basis and in the ordinary course of business. No material related party transactions were entered into during the financial year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2019-20.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the internal audit team. Thereafter, a statement giving details of all related party transactions, entered pursuant to omnibus approval so granted, is placed before the Audit Committee on a quarterly basis for its review.

Details of the transactions with Related Parties during the FY 2019- 20 are provided in the accompanying financial statements.

### Environment Health and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. Safety awareness has been enhanced by way of training on hazard identification and risk assessment. Continuous trainings are provided to all employees. Mock drills on emergency preparedness are conducted regularly.

### Opportunity and Future Prospects

India is among the top-20 markets for the medical devices in the world and the 4th largest market for medical devices in Asia. India is importing more than 70% of medical device.

The domestic industry has a huge potential to ramp up indigenous manufacturing and invest in R&D and reduce dependence on imports.

### Human Assets

The Company recognises employees as its biggest asset and one of the most important stakeholders for long-term sustenance and growth. The HR policy of the Company is aimed at fostering a conducive and inclusive work culture across all plants and offices. The Company strives to attract, retain and develop the best industry talent and groom them to take on challenging roles across the organisation. Regular skill and personal development programmes are conducted to boost employee morale and productivity. The Company endeavours to achieve high employee satisfaction levels and create an environment of fairness, transparency and mutual respect, wherein everyone feels equal and is inspired to deliver best results.

Your Company has a strongly committed and dedicated workforce, which is a key to its sustained success. The Company believes in the strength of its most important asset i.e. Human Resources and realises that the motivation, sense of ownership and satisfaction of its people are the most important drivers for its continued growth.

The Company has in place an Internal Complaints Committee as mandated by the sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013. Also, the employees are regularly sensitized about matters connected with prevention of sexual harassment.

As on 31 March, 2020, the employee strength of the Company stood at 2,032.

Further, the Company has undertaken following employee engagement program:

- Through quarterly magazine "Seekh" the company highlights all development and training initiatives taken by the company to all its employees.
- The company promotes healthy life style through organizing various events like – Sporting activities at regular intervals, Fitness and Yoga sessions, Mental health improvement activities.
- The Company from time to time engages with families of the employees to create a strong bond between the company and the employees.

### Insurance

Risks are a major factor in any business. Every Company requires insurance coverage that is specifically designed to protect its business from liabilities and various other risks. Your Company has many insurance policies from reputed insurance providers that cover major risks that may arise due to the nature of our business. The Company has insurance policies for the fixed and tangible assets also separate policies are for the stock and receivables. As the company has EOU (Export Oriented Unit), the foreign exchange risks are hedged from various financial institutions and banks. Company has the standard fire and special peril insurance policies for all the manufacturing facilities of the Company.

Company carries a product Liability Insurance that covers major risks that may arise due to the nature of the Products. The company carries Marine Cargo Policy to cover Export products.

The Company carries group medical insurance and personal accident policies for the eligible employees. Our Company fulfils all the parameters and precautions which are necessary to cover different risks in the business.

### Our Strengths

Your Company has a strong, committed and dedicated workforce, which is a key to its sustained success. The Company believes that motivation, sense of ownership and satisfaction of its people are the most important drivers for its continued growth.

Good governance practices combined with strong leadership has been the inherent strength of the Company. On the manufacturing front, we continue to build our capabilities and strengthen our processes. Through our robust efforts in implementing important initiatives in Quality and Compliance, we now see consistent positive outcomes from regulatory inspections.

Our audit programs and effective internal controls ensure our compliance of all existing rules and regulations.

### Competition

The medical device industry is undergoing some major transformation with the latest technological advancements and the continuous influx of manufacturers entering the market. One of the biggest industries in healthcare, the medical device industry thrives on innovation and technology but currently witnesses strong competition in the market.

With continuous innovations and developments, the medical device industry is the backbone of the healthcare delivery across the globe. The medical device manufacturers are widening their horizons by enhancing their product offerings to serve different market segments. Your Company faces competition at domestic and international level. The company continuous to invest in building strong brand across various geographies to maintain leadership in the medical devices industry.

### Cautionary Statement

*Certain Statements found in the Management Discussion and Analysis Report may constitute 'Forward looking statements', which may include statements relating to future results of operations, financial conditions, business prospects and projects etc., are based on the current assumptions, estimates, expectations about the business, industry and markets in which your Company operates. Actual results might differ substantially or materially from those expressed and implied due to several factors which are beyond the control of the management. This report should be read in conjunction with the financial statements included herein and the notes thereto.*

## Annexure-9

### A. Conservation of Energy

We strongly feel towards our responsibility and contribution to preserve our environment.

The Company has considered sustainability as one of the strategic priority across all process. The company has been consciously making efforts year on year towards improving the energy performance. Energy efficiency improvement initiatives have been implemented across all the Plants and Offices

- a) During the year, the Company has taken the following initiatives for conservation of energy:
  - i. Reduction of water consumption, recycling of waste water and rain water harvesting.
  - ii. Turbo Ventilators installed in place of electric exhaust fans to reduce energy consumption.
  - iii. Adoption of higher cavitation molds to provide higher output enabling lower energy consumption.

- iv. Replacing motorized feeds by gravity feeds to reduce energy consumption.
- v. Replacement of conventional lamps/lights with LED lamps/lights
- vi. Voltage optimization and power factor improvements to reduce energy consumption.
- vii. Cycle time reduction in various manufacturing processes through introduction of new technology and Kaizens
- viii. Compressed air consumption reduced by conducting regular audits and process improvements.
- ix. Improving machine efficiency through continuous improvement in technology.
- x. Implementation of Solar panels to generate solar energy.

**b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:**

- i. Purchasing of power from open access at Faridabad location to get steady power supply resulting in lower use of DG sets
- ii. Installation of energy efficient Chillers to reduce energy consumption
- iii. Inefficient pumps replaced with new generation energy saving pumps
- iv. Inefficient motors replaced with new generation energy saving motors
- v. Synchronization of DG panels for optimization of DG sets
- vi. Improving production efficiency through Standardization of process.
- vii. Use of robots in manufacturing process to improve productivity.

The company have installed a new 50 kw capacity Solar power plant with high efficiency modules at Sec-59 Faridabad.

**c) Impact of measures in (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

The above measures helped in reduction of power, fuel, air and water consumption and made the company more sustainable.

**B. Technology Absorption  
Efforts made in technology absorption**

**Research and Development**

**1. Specific Area in which R&D carried out by the Company**

During the year, the R&D Centre of the Company was engaged in supporting all the businesses. Following activities were conducted through the R&D Center:

- Development of new design, processes and products based on customer/market requirements.
- Development of new equipments for process improvement.
- Carrying out ongoing research
- Research work to reduce plastic consumption for manufacturing of Medical devices and reduce cycle time of molds to make the products more cost effective
- Quality up-gradation of existing medical devices
- Optimization of products and processes to minimize waste generation and reduce safety concerns
- Development of new analytical tools & methods
- Import substitution and identification, testing and validation of new raw materials from indigenous suppliers

**2. Benefits derived as a result of the above R&D**

Some of the benefits derived as a result of Research and Development are as follows:

- Development and commercialization of new products,

- Constant up-gradation and adoption of new technology for better productivity, yield and quality
- Reduction of cycle time in manufacturing process and material consumption
- Filings of Patents for Protection of Intellectual Property
- Achieving competitive prices and product quality
- Improving Productivity and Process efficiencies
- Significant quality improvement in existing products
- Enhanced Global presence/visibility

### 3. Future plan of action

In order to address the needs of the customers and in view of the changing market scenario, the Company will continue to strengthen its technical skills of its personnel. Some of the future plans are as follows:

- Expansion of R&D team
- Faster Commercialization of new products
- Strengthening the Research Infrastructure and capabilities and partnering with academic institutions
- Development of cost effective and environment friendly processes
- Augmenting R&D capabilities through technological innovation, use of modern scientific techniques, training and development
- Explore new area of technology for providing cost effective Devices to customers
- Enhance National and International Research networking and strategic alliances.
- Work closely with medical professionals to identify new product areas.

(₹ in Lacs)

	<b>Expenditure on Research &amp; Development</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>(a)</b>	Capital	-	22.30
<b>(b)</b>	Revenue	1,194.24	1,014.90
	<b>Total</b>	<b>1,194.24</b>	<b>1,037.20</b>
	Total Research and Development Expenditure as percentage of total turnover.	1.69%	1.65%

#### i. Technology Absorption, Adaption and Innovation Efforts in brief made towards technology absorption, adaption and innovation:

The Company's Research and Development division is continuously engaged in Research and Development of new & existing products and processes. The Company has also developed indigenous technologies and testing of products. It is the philosophy of the Company to continuously upgrade the technology and products in accordance with global standards.

#### ii. Benefits derived as results of the above efforts:

The Company has developed several new Products during the year and has made efforts in process optimization, cost reduction and cost competitiveness. Batch sizes and cycle times were optimized for better efficiency and for overall improved productivity.

#### iii. In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished:

a)	Technology Imported.	No Imported Technology
b)	Year of Import.	
c)	Has the technology been fully absorbed.	
d)	If not fully absorbed, areas where these has not being taken place, reasons thereof and future plans of action.	

### C. Foreign Exchange Earnings and Outgo

#### Activities relating to export, Initiative taken to increase exports, development of new products and service and export plans:

The Company continues to keep its focus on widening of new geographical area to augment its exports. The Company is regularly participating in major overseas conferences and trade shows, which are helpful in improving the visibility of various products in International markets and widening its customer base.

#### Foreign Exchange used and earned

	Particulars	2019-20	2018-19
(a)	Foreign Exchange Used	19,251.58	14,555.29
(b)	Foreign Exchange Earned	42,006.16	34,479.04

## REPORT ON CORPORATE GOVERNANCE

### A brief statement on the Company's philosophy on Code of Governance

The Company is committed to high standards of corporate governance and believes in compliance with the laws and regulations applicable to the Company in their true spirit. The Company provides in time, correct and complete information as required to all its stakeholders. The Company is constantly interacting with all the stakeholders; its borders are expanding, its environment is changing ever faster and its social responsibilities are growing. The Company firmly believes that good Corporate Governance can be achieved by maintaining transparency in its transactions and by creating robust policies and practices for key processes. To achieve Corporate Governance to the utmost standards, the Company has adopted a comprehensive Corporate Governance policy.

The Company believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and society's expectations.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. The Company recognises that good governance is a continuing exercise and thus reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of its stakeholders. The fundamental objective of the Company's Corporate Governance is "enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders without compromising on compliances of other laws and regulations."

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and hereby presents the following Corporate Governance Report for the Financial Year 2019-20 based on the said requirements.

### 1. BOARD OF DIRECTORS ("BOARD")

#### Composition of the Board of Directors

As on 31<sup>st</sup> March, 2020, the Company has nine Directors, of which seven are Non-executive Directors including four Independent Directors. The Board has one Women Director. The Composition of the Board is in the conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015. None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the companies as on 31<sup>st</sup> March, 2020 for which confirmations have been obtained from the Directors. Chairmanships/Memberships of the Board committees include only Audit Committee and Stakeholder's Relationship Committee.

The Company is managed and guided by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Board has been entrusted with the requisite powers, authorities and duties to enable it to discharge its responsibilities and provide effective leadership to the Business.

The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

**Composition and category of Directors as on 31<sup>st</sup> March, 2020 is as under:**

**Shri Devendra Raj Mehta**

Shri Devendra Raj Mehta, aged 83 years, is Chairman and a non-executive, Independent Director of our Company. He holds a bachelor's degree in economics and law and is a retired officer of the Indian Administrative Services. Further, he is an alumnus of MIT Sloan School of Management, Massachusetts Institute of Technology, Boston, USA and the Royal Institute of Public Administration, London, United Kingdom. He has over 49 years of experience in civil services. Prior to joining the Board of the Company, he has held positions including, chairman of SEBI, deputy governor of RBI and Director General of Foreign Trade, Government of India and has held various positions with the Government of Rajasthan and the Government of India. He has been on the Board since May 26, 2005.

**Shri Jugal Kishore Baid**

Shri Jugal Kishore Baid, aged 78 years, is a non-executive Director of the Company. He holds a bachelor's degree in Science (Mechanical Engineering) from Birla Institute of Technology, Mesra, Ranchi. He has over 51 years of experience in engineering and has undertaken various industrial training programmes with engineering companies. Prior to joining the Board, he was associated with Hyderabad Allwyn Metal Works and Jai Polypan Private Limited. He was involved in setting up the rotational molding technology in Rajasthan for the manufacture of multi layered and foam filled water storage containers under the brand name "Polycon". He has been associated with the Company since its incorporation.

**Smt. Mukulika Baid**

Smt. Mukulika Baid, aged 70 years, is a non-executive Director of the Company. She holds a bachelor's degree in arts from Jodhpur National University. She has 19

years of experience in management and marketing. She is associated with several non-profit organisations. She has been on the Board since July 30, 2014.

**Shri Prakash Chand Surana**

Shri Prakash Chand Surana, aged 73 years, is a non-executive, Independent Director of the Company. He is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of India. He has over 45 years of experience in the field of taxation and corporate laws. He has been on the Board since September 22, 1997.

**Dr. Shailendra Raj Mehta**

Dr. Shailendra Raj Mehta, aged 61 years is a non-executive, Independent Director of the Company. He holds a bachelor's degree and a master's degree in arts from Delhi University, an M.Phil. from Balliol College Oxford and a doctorate of philosophy in economics from Harvard University. He has 30 years of experience in the field of management and economics. His research on simulation resulted in the creation of Hi-tech Company that was granted a patent in the United States. He was responsible for setting up a collaboration between Indian Institute of Management, Ahmedabad and Duke Corporate Education and was a professor of economics and strategy at Purdue University. He was the vice chancellor of Ahmedabad University. He is currently the President, Director and Distinguished Professor for Innovation and Entrepreneurship at MICA (institute), The School of Ideas., Gujarat. He has been on the Board of the Company since May 28, 2012.

**Dr. Sandeep Bhargava**

Dr. Sandeep Bhargava, aged 52 years, is a Director of our company. He holds a bachelor degree as MBBS and Post Graduation Degree as MD. He was Senior Consultant in Gastroenterology, Hepatology and Interventional Endoscopy Indraprastha Apollo Hospitals, New Delhi. He was also Staff Gastroenterologist and Hepatologist, Lourdes Medical Associates, Cherry Hill, USA. He has around 29 years of experience in medical field in India and abroad. He has worked as Clinical Instructor in Medicine and Gastroenterology, at Rhode Island Hospital, USA. He has also worked as Clinical Instructor in Gastroenterology/Hepatology/Liver Transplantation at Columbia University, New York. He has worked as Assistant Professor of Medicine, at Saint Peters University Hospital, USA. Apart from this he is also guest faculty at various medical institutions in India

and abroad and writer of various books on medical Sciences. He has been associated with our Company since February 25, 2017.

#### **Shri Himanshu Baid**

Shri Himanshu Baid, aged 52 years, is the Managing Director of the Company. He holds a bachelor's degree in engineering (electronics and communication) from Karnatak University, Dharwad, India. He has over 23 years of experience in manufacturing, sales and marketing of medical devices. He has been associated with the Company since its incorporation.

#### **Shri Rishi Baid**

Shri Rishi Baid, aged 48 years, is an Executive Director of the Company. He holds a Bachelor of Science degree in mechanical engineering and a master's degree of science in mechanical engineering from West Virginia University, USA. He has over 23 years of experience in manufacturing, operations and R&D of medical devices. He has been associated with the Company since its incorporation.

#### **Shri Alessandro Balboni**

Shri Alessandro Balboni, aged 58 Years, is a Non Executive, Non-Independent Director of the Company, He is accomplished market driven executive, self motivated and responsible individual with 20 years of

experience in leading healthcare and sales. In his past career Mr. Balboni was Chairman & Chief Executive Officer at Delta Med SPA, Italy. He has a Masters degree from the University of Bologna, Italy.

#### **Number of Board Meetings**

The Board has the responsibility to monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances. Board Meetings are scheduled as required under the Listing Regulations and the Companies Act, 2013 and the Rules made thereunder. At every regularly scheduled meeting, the Board reviews recent developments if any, the regulatory compliance position and the proposals for business growth that impact the Company's strategy.

During the financial year ending 31<sup>st</sup> March 2020, the Board of Directors met five times on 10<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 09<sup>th</sup> November, 2019, 01<sup>st</sup> February, 2020 and 18<sup>th</sup> February, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

#### **Details of the Board of Directors**

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Attended	No. of Directorship in other Companies	Name of the Listed Company in which Directorship held alongwith category	Committee Positions*		No. of Shares as on 31 <sup>st</sup> March, 2020
						Member	Chairman	
Shri D.R. Mehta (DIN: 01067895)	Non-Executive Independent Director	5/5	Yes	8	1. GLENMARK PHARMACEUTICALS LIMITED (Independent Director) 2. JAIN IRRIGATION SYSTEMS LIMITED (Independent Director) 3. JMC PROJECTS (INDIA) LIMITED (Chairman, Independent Director)	7	4	NIL
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	5/5	Yes	1		1	-	22,79,376

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Attended	No. of Directorship in other Companies	Name of the Listed Company in which Directorship held alongwith category	Committee Positions*		No. of Shares as on 31 <sup>st</sup> March, 2020
						Member	Chairman	
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	4/5	No	2		1	3	2,098
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	4/5	Yes	5	1. JMC PROJECTS (INDIA) LIMITED (Independent Director)	3	1	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	5/5	Yes	8		2	3	79,07,624
Shri Rishi Baid (DIN: 00048585)	Executive Director	5/5	Yes	5		2	-	99,93,048
Smt. Mukulika Baid (DIN:02900103)	Non-Executive Director	5/5	Yes	-		1	-	30,62,400
Dr. Sandeep Bhargava (DIN:07736003)	Non-Executive Director	5/5	Yes	No	-		1	- NIL
Shri Alessandro Balboni (08119143)	Non Executive Non Independent Director	5/5	No	-		-	-	NIL

**\*Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in Public Companies including Poly Medicure Limited has been considered.**

**Video/Tele-conferencing facilities are used to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.**

#### **Relationship Inter-se**

**Mr. Himanshu Baid, Managing Director, Mr. Rishi Baid, Joint Managing Director, Mr. Jugal Kishore Baid, Director and Mrs. Mukulika Baid, Director forms part of Promoter group and are related to each other. None of the other Directors are related to each other**

#### **Institutionalized Decision-making Process**

The Board of Directors is the apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and

their effectiveness and ensure that the Stakeholders' long term interests are being served.

#### **Board Independence**

The definition of "Independence of Directors" is derived from Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on the evaluation of the relationships disclosed, all the independent Directors are qualified as Independent Directors under Section 149(6) of the Companies Act, 2013.

**Scheduling and Selection of Agenda Items for Board Meetings**  
The Board is given presentations covering Finance, Sales, Marketing, the Company's major operations, overview of business operations of subsidiary companies, global business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/ annual financial results.

The information regularly furnished to the Board of Directors include amongst others the following:

- ❖ Annual Operating plans and budgets and updates.
- ❖ Quarterly results and performance of various units/divisions, subsidiaries and joint venture companies.
- ❖ Minutes of the meeting of all the committees.
- ❖ Minutes of Meetings of the Board of the subsidiaries
- ❖ Materially important litigations, show cause, demand, prosecution and penalty notices.
- ❖ Details of Joint Ventures, acquisition of companies or Collaboration Agreement.
- ❖ Developments on Human Resource of the Company.

#### Board material distributed in advance

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect. In special and exceptional circumstances, additional or supplementary item(s) are permitted.

#### Recording minutes of proceedings at Board and committee meetings

The Company Secretary records the minutes of proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board/Board Committee(s) members for their comments. The minutes are entered in the minute's book within 30 days from the conclusion of the meeting.

#### Compliance

The Company Secretary, while preparing the agenda, notes on Agenda, minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/2013, read with rules framed issued there under, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

#### Familiarisation programme for Independent Directors

The Board/Committee members are provided with the necessary documents/brochures, reports and internal policies, codes of conduct to enable them to familiarize with the Company's procedure and practices. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation. Deep Discussion are conducted by the Senior

Executives including the Industry/Market (Domestic & International), competition, Company's performance, future outlook. Factory visits are organised as and when desirable/expedient, for the Directors.

The details of the familiarization programme of the Independent Directors are available on the Company's website at [www.Polymedicure.com](http://www.Polymedicure.com).

#### 2. Committees of the Board

The Board of Director's have constituted Board Committees to deal with specific areas and activities which concerns the Company and requires a closer view. The Board Committees are formed with approval of the Board. The Committees play an important role in the overall management of day-to-day affairs and governance of the Company.

#### Procedure at Committee Meetings

The Board Committees play a crucial role in the governance structure of the Company and are constituted to deal with specific areas/activities which concern the Company and are considered to be performed by members of the Board. The Board supervises the execution of its responsibilities by the committees and is responsible for their action. The minutes of the meetings of all the committees are placed before the Board. The Board committees can request special invitees to join the meeting as appropriate.

The Board of Directors of the Company constituted the following committees in terms of the provisions of Companies Act, 2013 and Listing Regulations:

Committees as mandated under Companies Act, 2013 and Listing Regulations	Other Committees
1. Audit Committee	1. Selection Committee
2. Stakeholders' Relationship Committee	2. ESOP Compensation Committee
3. Nomination and Remuneration Committee	3. Allotment Committee
4. Corporate Social Responsibility Committee	

## Terms of reference and other details of Board Committees

### Audit Committee

- i. The audit committee of the Company is constituted in line with the provisions of regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Section 177 of the Act.
  - ii. The terms of reference of the audit committee are broadly as under:
    - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
    - Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
    - Approval of payment to statutory auditors for any other services rendered;
    - Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
      - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
      - Changes if any, in accounting policies and practices and reasons for the same
      - Major accounting entries involving estimates based on the exercise of judgment by management
      - Significant adjustments made in the financial statements arising out of audit findings
      - Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
  - Qualifications/modified opinion(s) in the draft audit report
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
  - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board;
  - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or

irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Oversee financial reporting controls and process for material subsidiaries;
- Oversee compliance with legal and regulatory requirements including the Polymed Code of Conduct ("PCoC") for the Company and its material subsidiaries;
- To mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party

transactions (as defined by the audit committee), submitted by management;

- Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses, if any; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

- iii. The Audit Committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.
- iv. The previous annual general meeting (AGM) of the Company was held on September 23, 2019 and was not attended by Shri Prakash Chand Surana, Chairman of the Audit Committee due to his bad health.
- v. The composition of the audit committee and the details of meetings attended by its members are given below:

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri P.C. Surana	Independent Director/ Chairman	3/4	75,000
Dr. S. R. Mehta	Independent Director/ Member	4/4	1,00,000
Shri D. R. Mehta	Independent Director/ Member	4/4	1,00,000

Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

10<sup>th</sup> May, 2019; 12<sup>th</sup> August, 2019; 09<sup>th</sup> November, 2019 and 01<sup>th</sup> February, 2020.

The necessary quorum was present for all the meetings.

### Nomination & Remuneration Committee

#### Composition of the Committee

The Company had a Nomination and Remuneration Committee of directors. The Committee's constitution and terms of reference is in compliance with the provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015. The Committee comprises of 3 (three) members of the Board, the details of the member are as follows:

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri. D. R. Mehta	Independent Director / Member	2/2	50,000
Shri P.C. Surana	Independent Director / Member	2/2	50,000
Dr. Sandeep Bhargava	Independent Director / Member	2/2	50,000

During the year, under review, two meetings of Nomination and Remuneration Committee were held on the 10<sup>th</sup> May, 2019 and 12<sup>th</sup> August, 2019.

Term of reference of the Committee, inter-alia, includes the following:

- To identify persons, who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's Performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel.

- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a Policy on Board Diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### Remuneration Policy

##### (i) Managing Director and Executive Director

The Managing Director and Executive Director are paid remuneration within the range recommended by the Remuneration Committee which is further approved by the Board of Directors and the Shareholders of the Company in General Meeting. The remuneration is decided considering various factors such as qualification(s), experience(s), expertise, and capability of the appointee, its contribution to the Company's growth, remuneration prevailing in the Industry, Financial Position of the Company etc.

##### (ii) Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting of Board of Directors and Committee Meeting thereof and Commission. Each Non-Executive Directors was paid a sum of ₹ 50,000/- by way of sitting fee for attending each meeting of the Board of Directors and a sum of ₹ 25,000/- sitting fee for attending Committees meeting thereof.

Details of the sitting fees, commission and salary paid to all the Directors for the year ended on 31<sup>st</sup> March, 2020 are given hereunder:

(In ₹ lacs)

Name of the Member	Salary Perquisites	Commission	Sitting Fees	Total
Shri D.R. Mehta	-	9.00	4.25	13.25
Shri J.K. Baid	-	9.00	2.75	11.75
Smt. Mukulika Baid	-	9.00	2.75	11.75
Shri P.C. Surana	-	9.00	3.50	12.50
Dr. S.R. Mehta	-	9.00	3.00	12.00
Dr. Sandeep Bhargava	-	9.00	3.00	12.00
Shri Himanshu Baid	348.08*	275.00	-	623.08
Shri Rishi Baid	327.58*	275.00	-	602.58

\*Includes allowances, perquisites, retirement benefits and contribution to Provident Fund.

During the year under review, the independent Directors met on 10<sup>th</sup> May 2019, inter-alia to discuss:

- Evaluation of performance of Non-Independent Directors
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### Stakeholders Relationship Committee

#### Composition of Committee

The Company had a Shareholders / Investors Grievance Committee of directors to look into the redressal of Complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders' Relationship Committee in the light of provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015.

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri P. C. Surana	Independent Director / Chairman	1/1	25,000
Shri Himanshu Baid	Managing Director / Member	1/1	Nil
Shri Rishi Baid	Joint Managing Director / Member	1/1	Nil

Mr. Avinash Chandra, Company Secretary, acting as a compliance officer of the Company. During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 10<sup>th</sup> May, 2019.

#### Terms of reference of the Committee, inter-alia, includes the following:

- Overseeing and review all matters connected with the transfer of the Company's Securities.
- Approve issue of the Company's duplicate share certificates.
- Monitor redressal of investor's/Shareholder's/Security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of service to investors.
- Monitor implementation of the Company's code of conduct for prohibition of Insider Trading.

Carry out any other functions as is referred by the Board from time to time or enforced by any statutory modification as may be applicable.

#### Details of Investor Complaints received and redressed during the year 2019-20 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

No complaint was outstanding as on 31<sup>st</sup> March, 2020.

## Corporate Social Responsibility Committee

### Composition of Committee

The Company has a Corporate Social Responsibility Committee of directors to look into its CSR Activities, which strives to create value in the society and in the community in which it operates, through its services, conduct & initiatives so as to promote sustained growth for the society and community. Develop meaningful and effective strategies for engaging with all the stakeholders'. The committee was formed under the provisions of Section 135 the Companies Act, 2013.

Name of Members	Position	Attendance and Meetings held	Sitting Fees (₹)
Shri D.R. Mehta	Chairman	1/1	25,000
Shri Jugal Kishore Baid	Member	1/1	25,000
Smt. Mukulika Baid	Member	1/1	25,000

During the year, under review, a meeting of Corporate Social Responsibility Committee was held on the 10<sup>th</sup> May, 2019.

### Terms of reference of the Committee, inter alia, include:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy indicating initiatives to be undertaken by the Company in compliance with provisions of Companies Act, 2013 and rules there made under.
- To recommend the amount of expenditure to be incurred on the CSR initiatives.
- To monitor the implementation of the framework of the CSR policy.
- To approve the Corporate Social Responsibility Report and oversee the implementation of sustainability activities.
- To observe Corporate Governance Practices at all levels and to suggest remedial measures wherever necessary.

### 3. General Body Meetings

Annual General Meetings conducted during the last three years viz. FY 2016-17, FY 2017-18 and FY 2018-19 are as follows:

Meeting	Date and Time	Venue
22 <sup>nd</sup> AGM	Tuesday, 28 September, 2017 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
23 <sup>rd</sup> AGM	Wednesday, 26 September, 2018 at 10:00 a.m.	
24 <sup>th</sup> AGM	Monday, 23 September, 2019 at 10:00 a.m.	

### Special resolution passed in last three AGM:

#### 22<sup>nd</sup> AGM held on 28<sup>th</sup> September, 2017

- To appoint Dr. Sandeep Bhargava as an Independent Director upto the conclusion of 24<sup>th</sup> Annual General Meeting of the Company.

#### 23<sup>rd</sup> AGM held on 26<sup>th</sup> September, 2018

- To enter into a Job work Contract with M/s. Vitromed Healthcare, Jaipur.

#### 24<sup>th</sup> AGM held on 23<sup>rd</sup> September, 2019

- To appoint Shri Devendra Raj Mehta as an Independent Director upto the conclusion of 29<sup>th</sup> Annual General Meeting of the Company.
- To appoint Shri Prakash Chand Surana as an Independent Director upto the conclusion of 29<sup>th</sup> Annual General Meeting of the Company.
- To appoint Dr. Shailendra Raj Mehta as an Independent Director upto the conclusion of 29<sup>th</sup> Annual General Meeting of the Company.
- To appoint Dr. Sandeep Bhargava as an Independent Director upto the conclusion of 29<sup>th</sup> Annual General Meeting of the Company.
- To re-appoint Shri Himanshu Baid, (DIN: 00014008) as Managing Director for a period of 5 (Five) years with effect from 01<sup>st</sup> August, 2019.
- To re-appoint Shri Rishi Baid, (DIN: 00048585) as Joint Managing Director for a period of 5 (Five) years with effect from 01<sup>st</sup> August, 2019.
- To approve payment of remuneration to Non-Executive Directors.

**There was no Extra-Ordinary General Meeting held during the year 2019-20 through Postal Ballot**

### 4. Disclosures

- a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and was complied with provision of section 188 of the Companies Act, 2013. Thus disclosure in form AOC-2 is also provided. Further there are no material related party transactions during the year under review with the promoters, Directors or Key Managerial personnel. The details of the Related Party transactions during the year are given in the notes forming part of the financial statements.

**b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.**

No penalty or stricture was imposed by the Stock Exchange or SEBI or any statutory authority.

**c) Whistle Bowler Policy/Vigil Mechanism**

Pursuant to Section 177(9) and (10), of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated whistle Bowler policy for vigil Mechanism of Directors and employee to report to the management about the unethical behavior, fraud or violation of Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit committee in exceptional cases. The whistle blower Policy is displayed on the Company's Website viz, [www.polymedicure.com](http://www.polymedicure.com).

**d) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 133 of the Companies Act, 2013.

**e) Risk Management**

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

**f) Management Discussion & Analysis Report**

As required by the Listing Agreement and regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Management

Discussion & Analysis is provided separately in the Annual report.

**g) Code of Conduct and Corporate ethics**

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way.

Some of our policies are:

- Code of Conduct for Directors and Senior Management Personnel;
- Code of Conduct for Prevention of Insider Trading;
- Whistle Blower Policy

**h) CEO/CFO Certification**

The Compliance Certificate by CEO and CFO as required under Listing Agreement and Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is the same is annexed to the Corporate Governance Report.

**i) Disclosure of Compliance**

Your Company has complied with the requirements of the regulations 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**j) Details of Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements**

The Company has complied with all the mandatory requirements under the Listing Agreement and SEBI (LODR) Regulations, 2015.

**K) A certificate from Practicing Company Secretary (PCS) regarding declaration for Directors not debarred or disqualified from being appointed**

A certificate has been received from M/s. P.K. Mishra & Company, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

- l) The detail of the policy for determining “material” subsidiaries is available on the Company’s website at [www.Polymedicure.com](http://www.Polymedicure.com).
- m) The detail of the policy on dealing with related party transaction is available on the Company’s website at [www.Polymedicure.com](http://www.Polymedicure.com).

#### 6. Means of Communication

In accordance with Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has maintained a functional website at [www.polymedicure.com](http://www.polymedicure.com) basic corporate information about the Company viz. details

of its Business, Financial Information, Shareholding Pattern, compliance with code of conduct etc. The contents of the said website are updated from time to time. The quarterly, half yearly and Annual Results are published in “Financial Express” (English) and “Jansatta” (Hindi), newspapers and also displayed on the Company’s website for the benefit of the public at large.

Further, the Company disseminates to the Stock Exchange, where its securities are listed, all material information, which in its opinion are material and/or have a bearing on its performance/operations, for the information of public at large.

#### Audit Fees

The same has been mentioned in note no. 32 of Standalone Financial Statement.

#### Commodity Price Risk or Foreign Exchange Risk and hedging Activities

##### Commodity Price Risk and Commodity Hedging Activities

The Company does not have any exposure hedged through commodity derivatives. In compliance with Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

A: - Total exposure of the listed entity to commodities in ₹ - **NIL**

B: - Exposure of the listed entity to various

Commodity Name	Exposure in ₹ towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
NIL							

**7. General Shareholders Information:**

Annual General Meeting Day, Date and Time & Venue	Tuesday, 29 <sup>th</sup> Day of September, 2020 at 10 a.m. (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”)
CIN No.	L40300DL1995PLC066923
Financial Year	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020
Date of Book Closure	23 <sup>rd</sup> September, 2019 to 29 <sup>th</sup> September, 2020 (both days inclusive)
Listing of Equity Shares on Stock Exchange(s)	BSE Limited (BSE):- P. J. Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Limited: - Exchange Plaza, Plot No. C-1, G Block, BandraKurlaComplex, Bandra (East) Mumbai-400051
Stock Code	BSE Code: POLYMED, Scrip Code: 531768 NSE Code: POLYMED
Registrar and Transfer Agents	MAS Services Ltd. T-34, IInd Floor, Okhla Industrial Area, Phase II, New Delhi -110020.
Dematerialization of Shares and Liquidity	The Shares of the Company are under compulsory D-MAT mode. Under the depository system the International Security Identification Number (ISIN) allotted to the Company. Respective ISIN is INE205C01021.
Plants Locations	<p><b>Unit-I</b> Plot No. 104-105, Sector -59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana) India.</p> <p><b>Unit-II (100% EOU)</b> Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana) India.</p> <p><b>Unit III</b> Plot No. 17, Sector-3, I.I.E SIDCUL Haridwar-249403, (Uttarakhand), India</p> <p><b>Unit IV (SEZ)</b> Plot No. PA-010, P.O., Mahindra World City (Jaipur) Ltd., SEZ, Tehsil, Sanganer, Jaipur-302037 (Rajasthan), India.</p> <p><b>Unit V</b> Plot No. 34, Sector-68, IMT, Faridabad-121004, (Haryana), India.</p>
Address for Shareholders’ correspondence	<p><b>Registrar and Transfer Agent</b> <b>Shri Sharwan Mangla</b> M/s. Mas Services Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No. 011-26387281, 26387282 Fax No. 011- 26387384 E-mail: mas_serv@yahoo.com, Website: www.masserve.com</p> <p><b>Registered Office of the Company</b> <b>The Company Secretary</b> M/s Poly Medicure Limited 232-B, IIIrd Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020 Phone No. 011-26321838 Fax No. 011-26321894 Email: investorcare@polymedicure.com Website: www.polymedicure.com</p>

### Physical Share Transfer System

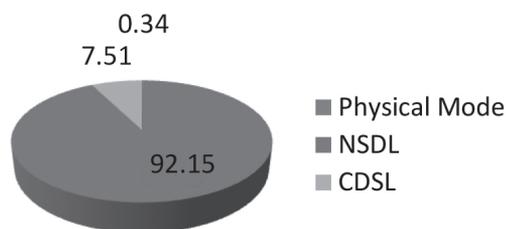
The Registrar and Transfer Agents (RTA) on receipt of transfer deed with respective Share Certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the Company. A list of such transfers is prepared and checked thoroughly and then a transfer register is prepared. The transfer register is placed before the Share Transfer Committee meeting for approval. Share transfers are registered and share certificates are returned within 30 days from the date of lodgment if the documents are complete in all respects

### Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with provisions of Depositories Act, 1996 with National Securities Depository Services (India) Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of the Shareholders. The status of Dematerialization of the Company's Shares as on 31<sup>st</sup> March, 2020 is as under:

Mode	No. of Shares	%age (Percentage)
Physical Mode	2,99,380	0.34
NSDL	8,13,22,750	92.15
CDSL	66,24,850	7.51
<b>Total</b>	<b>8,82,46,980</b>	<b>100.00</b>

#### Status of D-materlization of Shares



For guidance of Depository Services, Shareholders may write to the Company or to the respective Depositories.

National Securities Depositories Limited	Central Depository Services Limited
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Telephone: 91-22-24994200, E-mail- info@nsdl.co.in, Website: www.nsd.co.in	P. J. Towers, 17 <sup>th</sup> Floor, Dalal Street, Fort, Mumbai-400001, Telephone 91-22-22723333, E-mail: investor@cdslindia.com, Website: www.cdslindia.com.

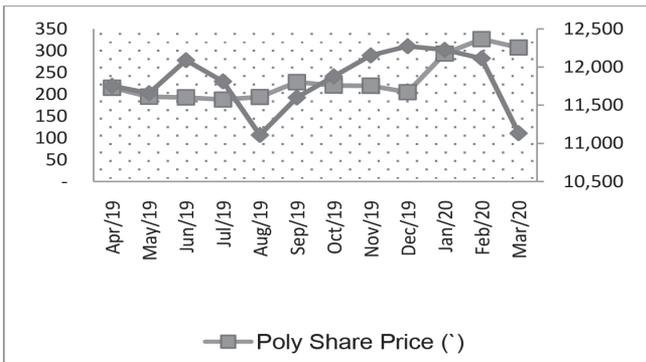
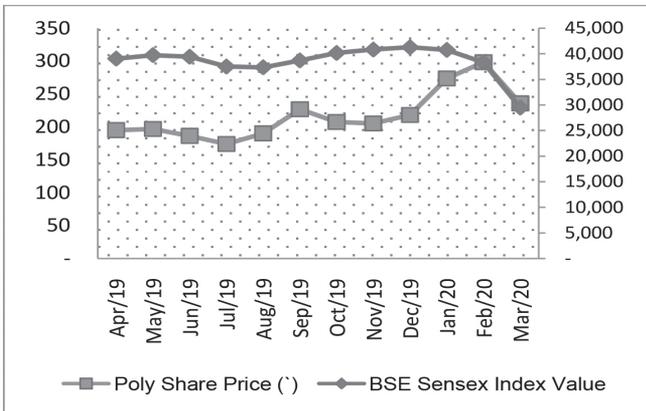
### Listed on Stock Exchange(s)

Name of the Stock Exchange(s)	Stock Code
Bombay Stock Exchange Limited	531768
National Stock Exchange of India Limited	POLYMED

**Market Price Data:** Monthly High and Low prices of the Equity Shares of the Company traded on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE) during the Financial Year are as follows:

Month	BSE (In ₹)		NSE (In ₹)	
	High Price	Low Price	High Price	Low Prices
Apr-19	223.80	191.85	225.25	191.10
May-19	203.95	192.00	203.90	191.50
Jun-19	199.50	166.50	199.80	165.10
Jul-19	200.00	170.35	193.90	171.00
Aug-19	197.00	167.20	197.10	167.00
Sep-19	236.80	183.20	238.80	185.50
Oct-19	231.10	190.90	235.80	190.60
Nov-19	229.45	198.15	227.00	195.40
Dec-19	221.85	202.00	222.90	193.60
Jan-20	313.20	207.25	312.30	205.25
Feb-20	349.40	257.50	349.00	257.30
Mar-20	315.00	200.25	315.00	200.00

(Source: This information is compiled from the data available from the websites of BSE and NSE)



**Distribution of Shareholding of Poly Medicure Limited as on 31<sup>st</sup> March, 2020**

Nominal value of each Share ₹ 5 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
7641	89.118	1 to 5000	1080459	1.224
379	4.420	5001 to 10000	559615	0.634
213	2.484	10001 to 20000	629607	0.713
90	1.050	20001 to 30000	451355	0.511
72	0.840	30001 to 40000	535313	0.607
27	0.315	40001 to 50000	242355	0.275
66	0.770	50001 to 100000	942560	1.068
86	1.003	100001 and above	83805716	94.967
<b>8,574</b>	<b>100.00</b>	<b>Total</b>	<b>8,82,46,980</b>	<b>100.00</b>

Particulars	No.	No. of shares	% age
<b>(A) Shareholding of Promoter and Promoter group</b>			
1. Indian	17	4,28,01,352	48.50
2. Foreign	2	2,27,200	0.26
<b>Total Shareholdings of Promoter and Promoter Group</b>	<b>19</b>	<b>4,30,28,552</b>	<b>48.76</b>

**(B) Public Shareholding**

1. Institution	26	27,15,651	3.08
2. Non Institution	8,529	4,25,02,777	48.16
<b>Total Public Shareholding</b>	<b>8,555</b>	<b>4,52,18,378</b>	<b>51.25</b>

**(C) Shares held by custodian and against which Depository Receipts have been issued**

1. Promoter and Promoter Group	0	0	0
2. Public	0	0	0
<b>Total (A)+(B)+(C)</b>	<b>8,574</b>	<b>8,82,46,980</b>	<b>100</b>

**Unclaimed Dividend on Equity Shares**

Investors are requested to claim their preceding years' unclaimed dividends from the Company. They may correspond at Company's address or send e-mail at investorcare@polymedicure.com for clarifying any doubts. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to Investor Education and Protection Fund (IEPF) as per the requirements of Section 205C of the Companies Act, 1956, and rule(s) made there under. No claim shall be entertained after unclaimed dividend is transferred to this fund.

**Review of Legal / Statutory Compliances Report**

The Board periodically reviews Statutory/Legal Compliance Reports with respect to the various laws applicable to the Company.

**Code for Prevention of Insider Trading Practices**

The Company has instituted a comprehensive code for prevention of Insider Trading, for its Directors and Designated Employees, in compliance with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The objective of this code is to prevent purchase and/or sale of Shares of the Company by an insider on the basis of unpublished Price Sensitive information. Under this code, Directors and Designated Employees are completely prohibited from the dealing in the Company's share during the closure of Trading Window. Further the code specifies the procedure to be followed and disclosures to be made by Directors and Designated Employees, while dealing with the share(s) of the Company and enlists the consequences of any violations.

### Risk Management Policy

The Company has established a well-documented and robust Risk Management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. These risks are systematically categorized as Strategic Risks, Business Risks or Reporting Risks.

To address these Risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place various procedure for Risk Management.

### Subsidiary Companies

The subsidiary Companies are unlisted foreign Companies. These subsidiaries have their own Board of Directors having the rights and obligations to manage such companies in its best interest. The Company has its own representatives on the Board of subsidiary companies and monitors the performance of such companies regularly.

### Non Mandatory Clauses

The Company has not adopted any of the non-mandatory requirements as in SEBI (LODR) Regulations, 2015.

### Code of Conduct by CEO

The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel consisting of members of the Board and heads of all departments.

As provided under regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all the Board members and Senior Management Personnel have affirmed compliance to the Code of Conduct of the Company for the period from 1st April, 2019 to 31<sup>st</sup> March, 2020. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi 30 <sup>th</sup> July, 2020	D. R. Mehta Chairman	Himanshu Baid Managing Director
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### CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

To  
The Board of Directors  
Poly Medicure Limited

- We have reviewed the financial statements and the cash flow statement of Poly Medicure Limited for the year ended 31<sup>st</sup> March, 2020 and to the best of our knowledge and belief:-

- These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:
- These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulation.

- There are to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31<sup>st</sup> March, 2020, which are fraudulent, illegal or violate the Company's code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.

We have not come across any reportable deficiencies in the design or operation of such internal controls.

- We have indicated to the Auditors and the Audit Committee:-
  - that there are no significant changes in internal controls over financial reporting during the year.
  - that there are no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - that there are no instances of significant fraud of which we have become aware involving management or any employee having a significant role in the Company's internal control system.

New Delhi 30 <sup>th</sup> July, 2020	Himanshu Baid Managing Director	J. K. Oswal CFO
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### Declaration by Chief Executive Officer

I hereby confirm and declare that all the Directors of the Company and all Senior Management Personnel as defined in the Code of Conduct of the Company have submitted Annual declaration confirming their compliance with the same.

New Delhi 30 <sup>th</sup> July, 2020	Himanshu Baid CEO/Managing Director
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### **Certificate on Corporate Governance**

To  
The Members of Poly Medicure Limited

I have examined the compliance of the conditions of Corporate Governance by Poly Medicure Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.K. Mishra & Associates**  
Company Secretaries

**Pawan Kumar Mishra**  
Proprietor  
**Membership No. FCS-4305/C.P. No. 16222**

Place: New Delhi  
Date: 30<sup>th</sup> July, 2020

## Independent Auditor's Report

### TO THE MEMBERS OF POLY MEDICURE LIMITED Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of POLY MEDICURE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this Auditor report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, as for the year ended 31 March, 2020 the other information has not yet been prepared and not yet approved by Board of Directors.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a

statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure

A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M C Bhandari & Co.**

Chartered Accountants

**Firm's registration number: 303002E**

Rabindra Bhandari

Partner

Membership number: 97466

UDIN:20097466AAAAAJ8462

Place: New Delhi

Date: 5<sup>th</sup> June 2020

## Annexure - A

### to the Auditors' Report, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

#### Inherent Limitations of Internal financial Controls over financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of

compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M C Bhandari & Co.**

Chartered Accountants

**Firm's registration number: 303002E**

Rabindra Bhandari

Partner

Membership number: 97466

UDIN:20097466AAAAAJ8462

Place: New Delhi

Date: 5<sup>th</sup> June 2020

### Annexure - B

**to the Auditors' Report the Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of conveyance deed/ registered sale deeds provided to us, we report that, the title deeds, comprising all immovable properties of land and building which are freehold, are held in the name of the Company as at the balance sheet date other than one investment property (WDV: Rs. 160.22 lacs) for which conveyance deed is pending for execution. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.
- (ii) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.
- (iii) According to the information and explanation given to us, during the year the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (i) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, however, we have not made a detailed examination of such cost records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of

the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, duty of customs, Cess, Goods & Service Tax (GST) and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, duty of customs, Cess, Goods & Service Tax (GST) and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, duty of custom, or duty of excise, or value added tax, Cess or Goods & Service Tax (GST) which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loan or borrowing to a financial institution or bank, government. There are no debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, term loans raised during the year were applied for the purpose for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M C Bhandari & Co.**  
Chartered Accountants  
**Firm's registration number: 303002E**

Rabindra Bhandari  
Partner  
Membership number: 97466  
UDIN:20097466AAAAAJ8462

Place: New Delhi  
Date: 5<sup>th</sup> June 2020

**Poly Medicure Limited**  
**Standalone Balance Sheet as at 31 March, 2020**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	30,657.30	25,506.56
(b) Capital work-in-progress		1,669.64	929.20
(c) Right of Use Asset		309.40	-
(d) Investment Properties	3	345.91	352.07
(e) Intangible assets	2	1,449.50	1,347.44
(f) Intangible assets under development		788.44	923.70
(g) Financial Assets			
(i) Investment in subsidiaries/associates	4	3,979.85	3,978.85
(ii) Other Investments	5	222.99	224.04
(iii) Other financial assets	7	3,497.31	1,124.54
(h) Other non-current assets	8	1,744.32	796.46
<b>Total non-current assets</b>		<b>44,664.66</b>	<b>35,182.86</b>
<b>2 Current assets</b>			
(a) Inventories	9	10,096.42	7,411.71
(b) Financial assets			
(i) Investments	5	1,592.21	26.76
(ii) Trade receivables	10	12,044.80	12,414.02
(iii) Cash and cash equivalents	11	189.46	291.14
(iv) Bank balances other than (iii) above	12	2,049.78	5,027.60
(v) Loans	6	13.71	22.78
(vi) Other financial assets	7	372.81	517.82
(c) Other current assets	8	2,971.51	2,420.54
<b>Total current assets</b>		<b>29,330.70</b>	<b>28,132.37</b>
<b>TOTAL ASSETS</b>		<b>73,995.36</b>	<b>63,315.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	4,412.35	4,411.85
(b) Other equity	14	38,516.08	33,566.14
<b>Equity attributable to shareholders of the company</b>		<b>42,928.43</b>	<b>37,977.99</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>42,928.43</b>	<b>37,977.99</b>

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	11,057.41	9,137.97
(ii) Lease Liabilities		328.32	-
(iii) Other financial liabilities	16	103.35	387.60
(b) Provisions	17	291.07	248.32
(c) Government Grants		220.47	194.00
(d) Deferred tax liabilities (Net)	18	1,448.92	1,866.31
<b>Total non-current liabilities</b>		<b>13,449.54</b>	<b>11,834.20</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	4,432.75	3,512.43
(ii) Lease Liabilities		104.02	-
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		861.95	171.97
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,185.71	4,787.65
(iv) Other financial liabilities	21	5,423.04	4,021.44
(b) Other current liabilities	22	1,493.05	673.17
(c) Provisions	17	41.97	34.42
(d) Current tax liabilities (net)	23	74.90	301.96
<b>Total current liabilities</b>		<b>17,617.39</b>	<b>13,503.04</b>
<b>TOTAL LIABILITIES</b>		<b>73,995.36</b>	<b>63,315.23</b>
Significant accounting policies	a-aa		
The accompanying notes are integral part of the Standalone financial statements.	1 - 47		

As per our report of even date annexed  
**For M C Bhandari & Co.** ( Reg No.303002E)  
Chartered Accountants  
Rabindra Bhandari  
Partner  
Membership No. 097466

**For and on behalf of the Board of Directors**  
Himanshu Baid  
Managing Director  
DIN: 00014008

Rishi Baid  
Joint Managing Director  
DIN: 00048585

Place : New Delhi  
Date : 05.06.2020

J.K.Oswal  
CFO

Avinash Chandra  
Company Secretary

**Poly Medicure Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March, 2020**

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	24	64,616.24	58,669.05
Other income	25	1,858.38	1,583.98
<b>Total Revenue</b>		<b>66,474.62</b>	<b>60,253.03</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	20,701.20	18,521.50
Purchases of Stock-in-Trade		70.55	1,454.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(777.32)	(410.68)
Employee benefits expense	28	12,734.15	10,976.95
Research and development expenses	29	1,154.77	1,014.90
Finance cost	30	1,765.51	1,129.36
Depreciation and amortization expense	31	3,928.43	3,636.39
Other expenses	32	14,719.00	13,881.02
<b>Total Expenses</b>		<b>54,296.29</b>	<b>50,203.85</b>
<b>Profit before tax</b>		<b>12,178.33</b>	<b>10,049.18</b>
Tax expenses:			
(1) Current tax		3,272.79	3,038.82
(2) Deferred tax		(384.10)	293.27
(3) Tax adjustment for earlier years (net)		51.36	88.70
<b>Total tax expenses</b>	<b>33</b>	<b>2,940.05</b>	<b>3,420.79</b>
<b>Profit after tax</b>		<b>9,238.28</b>	<b>6,628.39</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Actuarial gains/(losses) of defined benefit plan		38.19	2.91
Tax impacts on above		(9.61)	(1.02)
<b>Other comprehensive income for the year (net of tax)</b>		<b>28.58</b>	<b>1.89</b>
<b>Total comprehensive income (Comprising profit after tax and other comprehensive income/(loss) for the year)</b>		<b>9,266.86</b>	<b>6,630.28</b>
<b>Earnings per equity share: (Face value ₹ 5 each) in rupees</b>			
Basic	39	10.47	7.51
Diluted		10.46	7.51
Significant accounting policies	a-aa		
The accompanying notes are integral part of the standalone financial statements	1 - 47		

As per our report of even date annexed

**For M C Bhandari & Co.** ( Reg No.303002E)

Chartered Accountants

Rabindra Bhandari

Partner

Membership No. 097466

**For and on behalf of the Board of Directors**
 Himanshu Baid  
 Managing Director  
 DIN: 00014008

 Rishi Baid  
 Joint Managing Director  
 DIN: 00048585
Place : New Delhi  
Date : 05.06.2020J.K.Oswal  
CFOAvinash Chandra  
Company Secretary

**Poly Medicure Limited**  
**Standalone Statement of Cash Flow for the year ended 31 March 2020**

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax and exceptional items	12,178.33	10,049.18
<b>Adjusted for:</b>		
Depreciation and amortisation	3,928.43	3,636.39
Share in Income of Associates		
Interest expense	1,765.51	1,129.36
Dividend/ Governing Council Share	(45.46)	(155.31)
Interest income	(483.13)	(349.40)
Loss/(profit) on sale of fixed assets, net	(13.04)	(78.40)
Debts/advances written off	30.73	29.36
Provision for doubtful debts and advances	29.34	-
Credit balances no longer required, written back	(53.79)	(153.58)
Deferred employee compensation expenses (net)	13.89	18.69
Unrealised foreign exchange (gain) /loss	(407.66)	251.12
Other Comprehensive Income	38.19	2.91
Ind As Adjustment for Unrealised Gain on Mutual Fund	(64.40)	(16.70)
Ind As Adjustment on Govt. Grant & Subsidy	(64.65)	(80.55)
Ind As Adjustment for Interest Income on Financial Assets	(3.82)	(3.43)
Ind As Adjustment on Forward Contracts (Net)	334.68	(157.08)
Ind As Adjustment for Deferred Processing fees	27.68	15.34
Ind As Adjustment for Interest on Security Deposit against Rent	3.88	3.88
<b>Operating profit before working capital changes</b>	<b>17,214.71</b>	<b>14,141.77</b>
<b>Movement in working capital</b>		
Decrease/(increase) in inventories	(2,684.71)	(556.62)
Decrease/ (increase) in sundry debtors	832.63	(1,529.03)
Decrease/(Increase) in financial assets	(401.35)	(37.74)
Decrease/(Increase) in other assets	(547.93)	1,279.85
Increase/ (decrease) in trade payables	1,026.01	816.56
Increase/ (decrease) in other financial liabilities	(60.63)	6.03
Increase/ (decrease) in other liabilities	819.82	(92.71)
Increase/ (decrease) in provisions	50.30	39.61
<b>Cash generated from operations</b>	<b>16,248.85</b>	<b>14,067.71</b>
Direct taxes paid (net of refunds)	(3,558.35)	(2,748.48)
<b>Net cash from operating activities</b>	<b>12,690.50</b>	<b>11,319.23</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital advances)	(10,441.49)	(4,768.35)
Purchase of Investments (net)	(1,500.99)	(2,381.06)
Proceeds from / (Investment in) Fixed Deposits (net)	818.25	(3,829.72)
Proceeds from sale of fixed assets	34.04	241.07
Dividend/Governing share received	37.78	117.53
Interest income	485.41	193.86
<b>Net cash used for investing activities</b>	<b>(10,567.00)</b>	<b>(10,426.67)</b>

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings / deferred payment liabilities (net)	3,096.04	2,339.48
Proceeds from Share Allotments	5.03	5.03
Repayment of Lease Liabilities and Interest thereon	(136.11)	-
Dividend and tax thereon Paid	(4,247.46)	(2,119.26)
Interest / Finance charges paid	(942.68)	(1,194.56)
<b>Net cash from (used for) financing activities</b>	<b>(2,225.18)</b>	<b>(969.31)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(101.68)	(76.76)
Cash and cash equivalents at the beginning of the year	291.14	367.90
<b>Cash and cash equivalents at the end of the year</b>	<b>189.46</b>	<b>291.14</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Balances with Banks in current account	113.79	277.80
Cheques, drafts on hand	-	0.29
Cash in hand (including foreign currency notes)	18.29	12.91
Fixed deposits with banks, having original maturity of three months or less	57.38	0.14
<b>Cash and cash equivalents at the end of the year</b>	<b>189.46</b>	<b>291.14</b>
<b>RECONCILIATION STATEMENT OF CASH AND BANK BALANCES</b>	<b>Year Ended 31 March 2020</b>	<b>Year Ended 31 March 2019</b>
<b>Cash and cash equivalents at the end of the year as per above</b>	<b>189.46</b>	<b>291.14</b>
Add: Balance with banks in dividend / unclaimed dividend accounts	30.55	22.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	2,019.23	5,005.05
Add: Fixed deposits with banks (lien marked)	1,553.05	791.78
Add: Fixed deposits with banks, having maturity period for more than twelve months	1,592.41	194.11
<b>Cash and bank balances as per balance sheet (refer note 7, 11 and 12)</b>	<b>5,384.70</b>	<b>6,304.63</b>

**DISCLOSURE AS REQUIRED BY IND AS 7****Reconciliation of liabilities arising from financing activities**

31 March, 2020	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	5,899.27	1,741.39	263.02	7,903.68
Long term secured borrowing	9,137.97	1,354.65	564.79	11,057.41
<b>Total liabilities from financing activities</b>	<b>15,037.24</b>	<b>3,096.04</b>	<b>827.81</b>	<b>18,961.09</b>
March 31, 2019	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	4,824.37	1,098.45	(23.55)	5,899.27
Long term secured borrowing	7,911.58	1,241.03	(14.64)	9,137.97
<b>Total liabilities from financing activities</b>	<b>12,735.95</b>	<b>2,339.48</b>	<b>(38.19)</b>	<b>15,037.24</b>

**Notes**

This is the Cash Flow Statement referred to in our report of even date.

The above Standalone cash Flow statement should be read in conjunction with the accompanying notes

For **M C Bhandari & Co. ( Reg No.303002E)**

Chartered Accountants

Rabindra Bhandari

Partner

Membership No. 097466

**For and on behalf of the Board of Directors**

Himanshu Baid

Managing Director

DIN: 00014008

Rishi Baid

Joint Managing Director

DIN: 00048585

Place : New Delhi

Date : 05.06.2020

J.K.Oswal

CFO

Avinash Chandra

Company Secretary

**Standalone Statement of Changes in Equity for the year ended 31st March 2020**
**A. Equity share capital**

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	4,411.85	4,411.34
Changes in equity share capital during the year	0.50	0.51
At the end of the year	<b>4,412.35</b>	<b>4,411.85</b>

**B. Other equity**

(₹ in Lacs)

Particulars	Reserves and surplus					Other comprehensive income	Total
	Capital Reserve	Securities Premium	Share Based Payment Reserve Account	General Reserve	Retained Earnings	Re-measurement of defined benefit plan	
<b>Balance as at 1 April 2018</b>	<b>46.98</b>		<b>41.61</b>	<b>13,634.83</b>	<b>15,303.14</b>	<b>13.34</b>	<b>29,039.90</b>
Profit for the year					6,628.39		6,628.39
Securities Premium received during the year		34.67					34.67
Other comprehensive income (net of taxes)						1.89	1.89
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition/(deduction) during the year (Net of Lapses)			(11.46)				(11.46)
Final Dividend / Dividend tax adjusted					(2,127.25)		(2,127.25)
<b>Balance as at 31 March 2019</b>	<b>46.98</b>	<b>34.67</b>	<b>30.15</b>	<b>16,134.83</b>	<b>17,304.28</b>	<b>15.23</b>	<b>33,566.14</b>

<b>Balance as at 1 April 2019</b>	<b>46.98</b>	<b>34.67</b>	<b>30.15</b>	<b>16,134.83</b>	<b>17,304.28</b>	<b>15.23</b>	<b>33,566.14</b>
Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)					-79.86		(79.86)
Restated Balance as at 1 April 2019	46.98	34.67	30.15	16,134.83	17,224.42	15.23	33,486.28
Profit for the year					9,238.28		9,238.28
Securities Premium received during the year		34.68					34.68
Other comprehensive income (net of taxes)						28.58	28.58
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition/(deduction) during the year (Net of Lapses)			(16.26)				(16.26)
Final Dividend / Dividend tax adjusted					(4,255.46)		(4,255.46)
<b>Balance as at 31 March 2020</b>	<b>46.98</b>	<b>69.35</b>	<b>13.89</b>	<b>18,634.83</b>	<b>19,707.24</b>	<b>43.81</b>	<b>38,516.08</b>

**Note:**

General Reserves have been created by transfer out of profit generated by the company and is available for distribution to shareholders.

## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
<b>Gross Carrying Value as on 01.04.2018</b>	<b>1,588.78</b>	<b>862.18</b>	<b>5,225.68</b>	<b>30,088.93</b>	<b>411.70</b>	<b>593.80</b>	<b>980.36</b>	<b>39,751.43</b>	<b>786.37</b>	<b>1,190.90</b>	<b>1,977.27</b>	<b>41,728.70</b>
Additions during the year	1.96	-	555.98	3,985.90	50.73	110.84	161.06	4,866.47	34.82	184.36	219.18	5,085.65
Deductions/Adjustments	-	-	-	483.67	-	-	240.51	724.18	-	-	-	724.18
<b>Gross Carrying Value as on 31.03.2019</b>	<b>1,590.74</b>	<b>862.18</b>	<b>5,781.66</b>	<b>33,591.16</b>	<b>462.43</b>	<b>704.64</b>	<b>900.91</b>	<b>43,893.72</b>	<b>821.19</b>	<b>1,375.26</b>	<b>2,196.45</b>	<b>46,090.17</b>
<b>Accumulated Depreciation as on 01.04.2018</b>	<b>-</b>	<b>50.49</b>	<b>879.12</b>	<b>13,448.06</b>	<b>227.01</b>	<b>392.89</b>	<b>460.10</b>	<b>15,457.67</b>	<b>284.30</b>	<b>377.94</b>	<b>662.24</b>	<b>16,119.91</b>
Depreciation for the year	-	9.28	174.44	3,032.25	33.39	81.72	112.55	3,443.63	84.62	102.15	186.77	3,630.40
Deductions/Adjustments	-	-	-	313.92	-	-	200.22	514.14	-	-	-	514.14
<b>Accumulated Depreciation as on 31.03.2019</b>	<b>-</b>	<b>59.77</b>	<b>1,053.56</b>	<b>16,166.39</b>	<b>260.40</b>	<b>474.61</b>	<b>372.43</b>	<b>18,387.16</b>	<b>368.92</b>	<b>480.09</b>	<b>849.01</b>	<b>19,236.17</b>
<b>Carrying Value as on 31.03.2019</b>	<b>1,590.74</b>	<b>802.41</b>	<b>4,728.10</b>	<b>17,424.76</b>	<b>202.03</b>	<b>230.03</b>	<b>528.48</b>	<b>25,506.56</b>	<b>452.27</b>	<b>895.17</b>	<b>1,347.43</b>	<b>26,854.00</b>
<b>Gross Carrying Value as on 01.04.2019</b>	<b>1,590.74</b>	<b>862.18</b>	<b>5,781.66</b>	<b>33,591.16</b>	<b>462.43</b>	<b>704.64</b>	<b>900.91</b>	<b>43,893.72</b>	<b>821.19</b>	<b>1,375.26</b>	<b>2,196.45</b>	<b>46,090.17</b>
Additions during the year	1,448.50	-	1,061.86	6,013.76	43.61	115.87	148.73	8,832.34	11.74	280.28	292.02	9,124.37
Deductions/Adjustments	-	-	-	358.64	-	34.68	73.77	467.09	16.66	-	16.66	483.75
<b>Gross Carrying Value as on 31.03.2020</b>	<b>3,039.24</b>	<b>862.18</b>	<b>6,843.52</b>	<b>39,246.28</b>	<b>506.04</b>	<b>785.83</b>	<b>975.87</b>	<b>52,258.97</b>	<b>816.27</b>	<b>1,655.54</b>	<b>2,471.81</b>	<b>54,730.78</b>
<b>Accumulated Depreciation as on 01.04.2019</b>	<b>-</b>	<b>59.77</b>	<b>1,053.56</b>	<b>16,166.39</b>	<b>260.40</b>	<b>474.61</b>	<b>372.43</b>	<b>18,387.16</b>	<b>368.92</b>	<b>480.09</b>	<b>849.01</b>	<b>19,236.17</b>
Depreciation for the year	-	9.28	206.29	3,176.52	38.25	94.44	114.89	3,639.67	69.27	120.52	189.79	3,829.46
Deductions/Adjustments	-	-	-	328.87	-	34.28	62.01	425.16	16.49	-	16.49	441.65
<b>Accumulated Depreciation as on 31.03.2020</b>	<b>-</b>	<b>69.05</b>	<b>1,259.85</b>	<b>19,014.04</b>	<b>298.65</b>	<b>534.77</b>	<b>425.31</b>	<b>21,601.67</b>	<b>421.70</b>	<b>600.61</b>	<b>1,022.31</b>	<b>22,623.98</b>
<b>Carrying Value as on 31.03.2020</b>	<b>3,039.24</b>	<b>793.13</b>	<b>5,583.67</b>	<b>20,232.24</b>	<b>207.39</b>	<b>251.06</b>	<b>550.55</b>	<b>30,657.30</b>	<b>394.57</b>	<b>1,054.93</b>	<b>1,449.50</b>	<b>32,106.80</b>

2.1 Borrowing cost of ₹ 5.97 lacs (previous year Nil) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the year subsequent to 31st March 2020 is as follows:

(₹ in Lacs)	
Year Ending March 31	Amortisation Expense
2021	160.71
2022	151.60
2023	148.60
Thereafter	988.59

### 2.3 Right of Use Asset

(₹ in Lacs)

Balance as at 1st April 2019	402.22
Depreciation for the year	92.82
Closing balance as 31st March 2020	309.40

### Notes on Standalone Financial Statement for the Year ended 31 March 2020

(₹ in Lacs)

3. INVESTMENT PROPERTIES	As at 31 March 2020	As at 31 March 2019
<b>Gross balance at beginning</b>	<b>372.74</b>	<b>363.65</b>
Additions during the year	-	9.09
Disposals / Deductions	-	-
Depreciation for the year	6.15	6.00
Accumulated Depreciation	(26.83)	(20.67)
<b>Net balance at the end of reporting period</b>	<b>345.91</b>	<b>352.07</b>
<b>Fair Value</b>	<b>331.34</b>	<b>341.51</b>

Amount recognised in Statement of Profit & Loss for Investment Properties	Year ended 31 March 2020	Year ended 31 March 2019
<b>Rental Income</b>	<b>9.18</b>	<b>8.91</b>

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

**Note 1:** The investment properties consist of residential properties in india and have been categorised as investment properties based on nature of its uses. There has been no change in the valuation method adopted.

**Note 2:** The fair value of Investment properties has been determined on the basis of available circle rates of the property of the concerned registration authority and has been categorised in level 3 fair value.

**Note 3:** The conveyance deed of one (PY two) Investment properties valued at Rs.160.22 Lacs (PY Rs.241.17 Lacs) are yet to be executed in favor of the company.

#### 4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>(valued at cost unless stated otherwise)</b>				
<b>Unquoted equity instruments - fully paid</b>				
<b><u>Investment in subsidiaries</u></b>				
Poly Medicure (Laiyang) Co. Ltd.China USD 1,100,000 (previous year USD 1,100,000) Membership Interest	472.39	472.39		
Plan 1 Helath India Pvt. Ltd.(9999 Equity share of Rs.10 each)	1.00			
Poly Medicure B.V. Netherlands 12,30,000 Shares @ Euro 1 each	3,417.79	3,417.79		
<b><u>Investment in associates</u></b>				
96,600 (previous Year 73,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	88.67	88.67		
<b>Total</b>	<b>3,979.85</b>	<b>3,978.85</b>		
Aggregate amount of Unquoted Investment	3,979.85	3,978.85		
Aggregate provision for diminuation in the value of Investment	-	-		
<b>Category wise summary:</b>				
Financial assets measured at amortised cost (net of provision)	3,979.85	3,978.85		
Financial assets measured at fair value through profit and loss	-	-		

## 5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Investment measured at fair value through profit and loss</b>				
<b>Unquoted</b>				
<b>In Fixed Maturity Plans</b>				
UTI FITF Series XXVII - II (1161 DAYS)	222.99	224.04	-	-
<b>In Liquid Mutual Funds</b>				
ICICI Prudential Balance Advantage Fund- Gr	-	-	23.15	26.76
UTI Income Opportunities Fund- Growth P	-	-	-	-
HDFC Medium Term Debt Fund-Regular Plan	-	-	1,049.03	-
Kotak Low Duration Fund Standard Growth	-	-	260.75	-
Franklin India Savings Fund Retail Option	-	-	259.28	-
<b>Total</b>	<b>222.99</b>	<b>224.04</b>	<b>1,592.21</b>	<b>26.76</b>
<b>Aggregate amount of Unquoted Investment</b>	<b>222.99</b>	<b>224.04</b>	<b>1,592.21</b>	<b>26.76</b>
Aggregate provision for diminuation in the value of Investment	-	-	-	-
<b>Category wise summary:</b>				
Financial assets measured at amortised cost (net of provision)	-	-	-	-
Financial assets measured at fair value through profit and loss	222.99	224.04	1,592.21	26.76

5.1 Investments made by the company other than those with a maturity of less than one year, are intended to be held for long term.

5.2 In absence of the active market and non-availability of quotes on recognised stock exchange, investment in fixed maturity plan and liquid mutual funds are disclosed as unquoted and fair value is assessed based on NAV of respective funds.

## 6. LOANS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Considered good- Unsecured:</b>				
Loans and advances to employees	-	-	13.71	22.14
Others	-	-	-	0.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13.71</b>	<b>22.78</b>

## 7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
<b>Security Deposits</b>				
Considered good	247.46	113.12	105.27	151.39
Considered doubtful	-	-	8.68	9.78
Less: Provision for doubtful deposits	-	-	(8.68)	(9.78)
Interest accrued on bank deposits / Advances	104.39	25.53	107.99	189.13
Dividend / Governing council share from associates	-	-	45.46	37.78
Gain on outstanding forward contracts receivable	-	-	-	112.07
Other receivable #	-	-	114.09	27.45
Non-current bank balances (refer note 12)	3,145.46	985.89	-	-
<b>Total</b>	<b>3,497.31</b>	<b>1,124.54</b>	<b>372.81</b>	<b>517.82</b>

# Includes ₹ 2.33 lacs (₹ 2.33 lacs) paid under protest for enhanced cost of land, contested in hon'ble Punjab and Haryana High Court.

### 7.1 Movement in the provision for doubtful deposits

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	9.78	12.82
Movement in the amount of provision (Net)	(1.10)	(3.04)
Balance at the end of the year	8.68	9.78

## 8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
<b>Capital Advances</b>				
Considered Good	1,692.39	761.53	-	-
Considered Doubtful	97.50	77.08	-	-
Less: Provision for doubtful advances	(97.50)	(77.08)	-	-
<b>Other loans and advances</b>				
Advance for goods / services				
Considered Good #	-	-	532.56	203.43
Balance with revenue authorities			1,432.30	498.13
Advance tax/ tax deducted at source (net of provision)	14.27	7.13	-	-
Prepaid Expenses	37.66	27.80	295.19	102.94
GST, Excise Duty, Service tax and VAT refundable			109.10	551.82
Export benefits receivable			602.36	1,064.22
<b>Total</b>	<b>1,744.32</b>	<b>796.46</b>	<b>2,971.51</b>	<b>2,420.54</b>

# Includes advance of Rs.11.40 lacs (previous year Nil) given to step subsidiary against goods.

**8.1 Movement in provision for doubtful advances**

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Balance at the beginning of the year	77.08	84.79
Movement in amount of provision (Net)	20.42	(7.71)
Written off of provisions	-	-
Balance at the end of the year	97.50	77.08

**9. INVENTORIES**

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	5,151.86	3,332.14
Goods-in transit	744.23	819.35
Work-in-progress	1,883.45	2,120.52
Finished Goods	1,581.74	672.70
Stock-in-trade	176.78	71.42
Stores and spares	558.36	395.58
<b>Total</b>	<b>10,096.42</b>	<b>7,411.71</b>

**10. TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Considered good- Unsecured	12,044.80	12,414.02
Credit Impaired	30.58	29.84
Less: Provision for Credit Impaired	(30.58)	(29.84)
<b>Total</b>	<b>12,044.80</b>	<b>12,414.02</b>

(₹ in Lacs)

Particulars	Outstanding As at end of		Maximum balance outstanding during the period ended	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
<b>Trade receivable includes:</b>				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	26.96	71.05	553.73	805.78
Due from Plan 1 Health SRL, Italy, being step-subsiary	21.51	0.95	21.51	0.95
Due from Ultra For Medical Products (UMIC), being associate company	495.29	623.61	850.09	738.37

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	29.84	33.64
Addition/(Deletion)	10.02	(3.80)
Written off out of Provision	(9.28)	
Balance at the end of the year	30.58	29.84

The concentration of credit risk is limited due to large and unrelated customer base.

## 11. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with Banks		
In current accounts	113.79	277.80
In deposit accounts, with less than 3 months maturity period	57.38	0.14
Cash on hand (including foreign currency notes)	18.29	12.91
Cheque in hand	-	0.29
<b>Total</b>	<b>189.46</b>	<b>291.14</b>

There are no repatriation restrictions with regard to cash & cash equivalents as at the end of reporting period and prior periods.

## 12. OTHER BANK BALANCES

(₹ in Lacs)

Particulars	Non-current		current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Unclaimed dividend accounts		-	30.55	22.55
Held as margin money	1,553.05	791.78	-	-
Deposits with more than 3 months but less than 12 months maturity period		-	2,019.23	5,005.05
Deposits with more than 12 months maturity period	1,592.41	194.11		
Amount disclosed under the head "other Non Current Financial Assets" (Refer note 7)	(3,145.46)	(985.89)		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,049.78</b>	<b>5,027.60</b>

## 13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>Authorised share Capital</b>				
Equity Shares of ₹ 5 each	12,00,00,000	6,000.00	12,00,00,000	6,000.00
<b>Issued, subscribed &amp; paid up shares</b>				
Equity Shares of ₹ 5 each fully paid up	8,82,46,980	4,412.35	8,82,36,930	4,411.85
<b>Total</b>	<b>8,82,46,980</b>	<b>4,412.35</b>	<b>8,82,36,930</b>	<b>4,411.85</b>

### 13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	8,82,36,930	4,411.85	8,82,26,880	4,411.34
Add: Issued during the year by way of ESOP	10,050	0.50	10,050	0.51
Outstanding at the end of year	<b>8,82,46,980</b>	<b>4,412.35</b>	<b>8,82,36,930</b>	<b>4,411.85</b>

### 13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (₹ 5). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 13.3 Details of shareholders' holding more than 5% shares in the company

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Share of ₹ 5 each (Previous Year ₹ 5 each)</b>				
M/s Ezekiel Global Business Solutions LLP	1,23,61,320	14.01%	1,23,61,320	14.01%
Mr. Rishi Baid	99,93,048	11.33%	99,93,048	11.33%
M/s Zetta Matrix Consulting LLP	83,19,660	9.43%	83,19,660	9.43%
Mr. Himanshu Baid	79,07,624	8.96%	79,07,624	8.96%

The aforesaid disclosure is based upon percentages computed separately for each class of shares outstanding, as at the balance sheet date. As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 13.4 During the year ended 31st March 2020 the company have paid following Final / Interim dividend:

S.No.	Nature of Dividend	Date of declaration	Amount of Dividend	Dividend tax thereon
1.	Final Dividend	23rd Sep 2019	1764.94	362.79
2.	Interim Dividend	18th Feb 2020	1764.94	362.79

### 13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year

The Company had allotted 1,10,12,500 fully paid-up equity shares of face value ₹ 10 each during the financial year ended 31<sup>st</sup> March 2014, pursuant to bonus issue approved by the shareholders through postal ballot.

The Company had allotted 4,41,13,440 fully paid-up equity shares of face value ₹ 5 each during the financial year ended 31<sup>st</sup> March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

## 14 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Capital Reserves</b>		
Surplus on re-issue of forfeited shares	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
<b>Closing Balance</b>	<b>46.98</b>	<b>46.98</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	34.67	-
Addition during the year	34.68	34.67
<b>Closing Balance</b>	<b>69.35</b>	<b>34.67</b>
<b>Share Based Payment Reserve Account</b>		
Balance at the beginning of the year	30.15	41.61
Addition/(deletion)during the year (Net of Lapses)	(16.26)	(11.46)
<b>Closing Balance</b>	<b>13.89</b>	<b>30.15</b>
<b>General Reserve</b>		
Balance at the beginning of the year	16,134.83	13,634.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
<b>Closing Balance</b>	<b>18,634.83</b>	<b>16,134.83</b>
<b>Surplus in statement of Profit and Loss</b>		
Balance at the beginning of the year	17,304.28	15,303.14
Less: Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of Rs.42.89 lacs) Refer Note no 38	(79.86)	-
Add: Additions during the year	9,238.28	6,628.39
Less: Dividend adjusted for previous year	(1,764.94)	(1,764.54)
Less: Dividend tax adjusted for previous year	(362.79)	(362.71)
Less: Interim Dividend	(1,764.94)	-
Less: Interim Dividend tax	(362.79)	-
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
<b>Closing Balance</b>	<b>19,707.24</b>	<b>17,304.28</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the year	15.23	13.34
Add: Addition during the year	28.58	1.89
<b>Closing Balance</b>	<b>43.81</b>	<b>15.23</b>
<b>Grand Total</b>	<b>38,516.08</b>	<b>33,566.14</b>

## 15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Secured - At Amortised Cost</b>				
(i) Term loans from banks	10,853.17	9,117.61	3,283.27	2,333.82
(ii) Others - Vehicle Loan				
from banks	2.68	20.35	17.68	16.11
from others	-	-	-	36.91
(iii) Deferred payment liabilities	201.56	-	169.98	-
(iv) Equipment Financing				
Amount disclosed under the head "other current financial liabilities" (note 21)		-	3,470.93	2,386.84
<b>Total</b>	<b>11,057.41</b>	<b>9,137.97</b>	<b>-</b>	<b>-</b>

**15.1 Term loan comprises the following:**

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>From Bank</b>				
Rupee Loan #	1,302.94	5,015.64	1,038.05	1,034.70
Foreign Currency Loan##	9,550.23	4,101.97	2,245.22	1,299.12

# net off of Rs.2.71 (PY 6.67 lacs) as finance charge.

## net off of Rs.76.74 Lacs (PY 27.88) as finance charge.

**15.2 Terms of repayment:**

Particulars	Weighted average Rate of interest (P.A.)	Installment	Outstanding as at 31.03.2020	Annual repayment schedule			
				2020-21	2021-22	2022-23	2023-24 & 2024-25
<b>Rupee Loan #</b>	8.43%	Qtr / Mon	2,340.99	1,038.05	902.94	400.00	-
<b>Foreign Currency Loan #</b>	1.88%	Qtr	11,514.47	2,206.54	3,339.85	2,926.70	3,041.38
<b>Buyers Credit</b>	0.45%	Qtr	360.43	72.09	-	288.34	-
<b>Other- Vehicle Loan</b>	9.35%	Monthly	20.36	17.68	2.68	-	-

# includes Rs.2.71 lacs (PY 6.67 lacs) as prepaid finance charge

## includes Rs.76.74 lacs (PY 27.88 Lacs) as prepaid finance charge

**15.3 Details of Security:**

- Term Loans from State Bank of India are secured by first charge on entire fixed assets / plant & machinery of the company (present & future) and equitable mortgage of factory land & buildings (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on entire current assets of the company.
- Term loan from Citi Bank N.A. is secured by first charge on immovable property and movable fixed assets located at plot No. 80 and 81, Sector 59, Faridabad (Haryana) and second pari passu charge on entire current assets of the company.
- Term loan from The Hongkong and Shanghai Banking Corporation Limited is secured by first charge on entire fixed assets including plant & machinery and equitable mortgage of land and building located at plot no. 34, Sector 68, IMT Faridabad (Haryana) and second pari passu charge on entire current assets of the company.
- Foreign Currency Loan outstanding (ECB of Rs 3046 lacs.) from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company, including land, building and all other fixed assets i.e. Plant & Machinery, Office Equipment and Furniture & Fixtures (Present & Future), (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan) and second pari passu charge on stock and receivables of the Company.  
  
Foreign Currency Loan outstanding (ECB of Rs 5416 lacs) from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company, including land, building and all other fixed assets i.e. Plant & Machinery, Office Equipment and Furniture & Fixtures (Present & Future), (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana) and Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan) and second pari passu charge on stock and receivables of the Company.
- Vehicle Loans are secured by hypothecation / lien of the respective vehicles.
- Deferred payment liabilities represents assets acquired on deferred credit terms.

## 16. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Security Deposit from Agent/ Others	76.39	387.60
Deferred interest on deferred payment liability	26.96	-
<b>Total</b>	<b>103.35</b>	<b>387.60</b>

## 17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Provision for employee benefits</b>				
Gratuity	147.40	142.26	23.92	21.77
Leave Encashment	143.67	106.06	18.05	12.65
<b>Total</b>	<b>291.07</b>	<b>248.32</b>	<b>41.97</b>	<b>34.42</b>

## 18. DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

Particulars	As at 31 March, 2020							
	Balance as at April 1 2019	Transi- tional IND AS 116 impact	Restated Balance as at April 1 2019	Rec- ognised in profit & loss	Rec- ognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,998.02		1,998.02	(295.45)		1,702.57	1,702.57	
Provision for defined benefit plan - P&L	(55.12)		(55.12)	(28.71)		(83.83)		(83.83)
Provision for defined benefit plan - OCI	8.08		8.08	-	9.61	17.69	17.69	
Provision for Bonus	(43.89)		(43.89)	9.61		(34.28)		(34.28)
Provision for doubtful debts and advances	(40.78)		(40.78)	6.36		(34.42)		(34.42)
Exchange difference impact under Section 43A of Income Tax Act.				(87.87)		(87.87)		(87.87)
IND AS 116		(42.89)	(42.89)	11.95		(30.95)	-	(30.95)
<b>Deferred Tax (Assets) / Liabilities</b>	<b>1,866.31</b>	<b>(42.89)</b>	<b>1,823.41</b>	<b>(384.10)</b>	<b>9.61</b>	<b>1,448.92</b>	<b>1,720.26</b>	<b>(271.34)</b>

Particulars	Balance as at April 1 2018	Rec- ognised in profit & loss	As at 31 March, 2019			
			Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,700.88	297.14	-	1,998.02	1,998.02	-
Provision for defined benefit plan - P&L	(44.84)	(10.28)	-	(55.12)	-	(55.12)
Provision for defined benefit plan - OCI	7.06	-	1.02	8.08	8.08	-
Provision for Bonus	(45.22)	1.33	-	(43.89)	-	(43.89)
Provision for doubtful debts and advances	(45.86)	5.08	-	(40.78)	-	(40.78)
<b>Deferred Tax (Assets) / Liabilities</b>	<b>1,572.02</b>	<b>293.27</b>	<b>1.02</b>	<b>1,866.31</b>	<b>2,006.11</b>	<b>(139.79)</b>

**18.1 Movement on the deferred tax account is as follows:**

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,866.31	1,572.01
Transitional IND AS 116 impact	(42.89)	
<b>Restated Balance as at April 1 2019</b>	<b>1,823.42</b>	
(Credit)/ Charge to the statement of profit and loss	(384.10)	293.28
(Credit)/ Charge to other comprehensive income	9.61	1.02
Balance at the end of the year	<b>1,448.92</b>	<b>1,866.31</b>

**19. BORROWINGS - CURRENT**

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Secured - from banks</b>		
Cash / Export Credit Loan	4,432.75	3,512.43
<b>Total</b>	<b>4,432.75</b>	<b>3,512.43</b>

Working Capital limits from State Bank of India, Citi Bank N.A., The Hongkong & Shanghai Banking Corporation Limited and HDFC Bank Limited are secured by way of first pari-passu charge on entire current assets of the Company (present & future), including stocks of raw materials, stock in process, finished goods, stores & spares lying at factories, godowns or elsewhere (including goods in transit) and book debts / receivables and further secured by second pari-passu charge on entire residual fixed assets of the company.

**20. TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises:	861.95	171.97
Total outstanding dues of trade payables and acceptances other than above	5,185.71	4,787.65
	<b>6,047.66</b>	<b>4,959.62</b>

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
a the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
- Principal Amount	861.95	171.97
- Interest due	-	-
b the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## 21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer note no. 15)	3,470.93	2,386.84
Interest accrued but not due on borrowings	6.21	6.40
Interest accrued and due on borrowings / Security deposits	12.90	33.50
Unpaid dividends	30.55	22.55
<b>Other payables</b>		
Employees related liabilities	1,436.60	1,459.75
Liability on account of outstanding forward contracts	227.61	-
Payables for capital goods	178.58	71.90
Others (includes deferred interest of Rs. 11.11 lacs on deferred payment liability)	59.66	40.50
<b>Total</b>	<b>5,423.04</b>	<b>4,021.44</b>

There are no outstanding dues to be paid to Investors Education and Protection Fund.

## 22. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	978.59	276.20
Other payables		
Statutory dues	513.83	396.34
Others	0.63	0.63
<b>Total</b>	<b>1,493.05</b>	<b>673.17</b>

## 23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Tax (Net of Prepaid Tax of ₹ 3,209.27 Lacs) (PY ₹ 2741.05 lacs)	74.90	301.96
<b>Total</b>	<b>74.90</b>	<b>301.96</b>

## 24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2020	Year ended March 31, 2019
<b>Sale of products</b>		
Manufactured goods	62,828.09	55,990.62
Traded Goods	80.85	774.40
<b>Other operating revenues</b>		
Export Incentives	1,573.85	1,665.22
Sale of scrap	133.45	157.47
Others	-	81.34
<b>Total</b>	<b>64,616.24</b>	<b>58,669.05</b>

The Disclosures as required by Ind-AS 115 are as under :

(₹ in Lacs)

Particulars	Year ended 31 March, 2020	Year ended March 31, 2019
<b>The Company disaggregates revenue based on nature of products/geography as under :</b>		
<b><u>Revenue based on Geography</u></b>		
<b>Sales</b>		
Domestic	18,683.89	16,397.89
Export	44,225.04	40,367.13
<b>Other operating revenue</b>		
Domestic-Export incentives and Scarp	1,707.30	1,822.69
Development Charges	-	81.34
	<b>64,616.24</b>	<b>58,669.05</b>
<b><u>Revenue based on Nature of Products</u></b>		
Medical Devices	62,908.94	56,765.02
Export incentives	1,573.85	1,665.22
Scrap	133.45	157.47
Development Charges	-	81.34
	<b>64,616.24</b>	<b>58,669.05</b>

(₹ in Lacs)

Reconciliation of Revenue	Year ended 31 March, 2020	Year ended March 31, 2019
Gross value of contract price	63,220.46	57,098.21
Less : Variable components i.e.,Rebate & discount	311.52	333.19
Other operating revenue	<b>1,707.30</b>	<b>1,904.03</b>
<b>Revenue from operations as recognised in financial statement</b>	<b>64,616.24</b>	<b>58,669.05</b>

(₹ in Lacs)

Reconciliation of Advance received from Customers-Contract Liabilities	Year ended 31 March, 2020	Year ended March 31, 2019
<b>Balance at the beginning of the year</b>	<b>276.20</b>	<b>388.59</b>
Less : Revenue recognised out of balance of advance received from customer at beginning of year	261.80	371.11
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	964.19	258.72
<b>Balance as at the end of the year</b>	<b>978.59</b>	<b>276.20</b>

The Company have orders in hand as at 31st March 2020 for Rs. 8375.57 lacs, for which performance obligation amounting to Rs.8375.57 lacs will be recognised as revenue during the next reporting year. The company have evaluated the impact of Covid 19 on position of orders in hand as on 31 March 2020 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the standalone financial statement.

## 25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Interest Income/ Dividend Income</b>		
Interest Income on Fixed and other Deposits	483.13	349.40
Interest Income on Income Tax Refund	-	-
Interest Income from Financial Assets Measured at Amortised Cost	3.82	3.43
Dividend/ Governing Council Share	45.46	155.31
<b>Other non-operating income</b>		
Rental Income from Investment Property	9.18	8.91
Government Grants and Subsidies	64.65	80.55
Income from Mutual Funds	-	25.76
Miscellaneous Income	72.15	47.38
<b>Other Gain</b>		
Provisions / Liabilities no longer required written back (net)	53.79	153.58
Gain on fixed assets sold/discarded	13.04	78.40
Gain on Foreign Exchange Fluctuation (net)	1,048.76	664.56
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	64.40	16.70
<b>Total</b>	<b>1,858.38</b>	<b>1,583.98</b>

## 26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Raw Material Consumed</b>		
Inventory at the beginning of the year	2,704.62	2,771.89
Add: Purchases during the year	17,626.23	14,073.59
Less: Inventory at the end of the year	4,333.31	2,704.62
<b>Cost of raw material consumed (A)</b>	<b>15,997.54</b>	<b>14,140.86</b>
<b>Packing Material Consumed</b>		
Inventory at the beginning of the year	627.52	766.54
Add: Purchases during the year	4,894.69	4,241.62
Less: Inventory at the end of the year	818.55	627.52
<b>Cost of packing material consumed (B)</b>	<b>4,703.66</b>	<b>4,380.64</b>
<b>Total (A+B)</b>	<b>20,701.20</b>	<b>18,521.50</b>

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	(Increase)/ Decrease
<b>Inventories at the end of year</b>			
Finished Goods and Stock in Trade	1,758.52	744.12	(1,014.40)
Work in progress	1,883.45	2,120.52	237.07
	<b>3,641.97</b>	<b>2,864.64</b>	<b>(777.33)</b>
<b>Inventories at the beginning of year</b>			
Finished Goods and Stock in Trade	744.12	881.37	137.25
Work in progress	2,120.52	1,572.60	(547.92)
	<b>2,864.64</b>	<b>2,453.97</b>	<b>(410.67)</b>

## 28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	11,727.24	10,156.29
Contributions to Provident Fund and others	830.49	687.35
Share based payment to employees	13.89	18.69
Staff Welfare Expenses	162.53	114.62
<b>Total</b>	<b>12,734.15</b>	<b>10,976.95</b>

## 29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue Expenditure charged to statement of profit and loss</b>		
Cost of components and Material Consumed (Net)	740.00	681.80
Employee benefits expenses	349.38	274.94
Power and Fuel	52.65	44.76
Travelling & Conveyance	4.56	3.89
Other Misc Expenses	8.18	9.51
<b>Total Revenue Expenses</b>	<b>1,154.77</b>	<b>1,014.90</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>22.30</b>
<b>Total amount spent on Research and Development</b>	<b>1,154.77</b>	<b>1,037.20</b>

## 30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Interest expense</b>		
Interest on loans	844.13	1,125.68
Interest on Income Tax	4.45	7.17
Exchange difference to the extent considered as an adjustment to interest costs	842.34	(21.37)
Interest on Lease Liabilities	43.49	-
<b>Others</b>		
Other amortised borrowing costs	31.10	17.88
<b>Total</b>	<b>1,765.51</b>	<b>1,129.36</b>

## 31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of tangible assets	3,639.67	3,443.63
Amortisation of intangible assets	189.79	186.76
Depreciation of investment properties	6.15	6.00
Amortisation of Right to Use	92.82	-
<b>Total</b>	<b>3,928.43</b>	<b>3,636.39</b>

## 32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	1,278.02	1,428.84
Power and Fuel	2,472.61	2,416.13
Job Work Charges	5,392.00	4,784.70
Other Manufacturing Expenses	77.39	98.30
Repairs to Building	74.96	49.24
Repairs to Machinery	85.62	95.83
Repairs to Others	28.94	27.28
Insurance (Net)	184.19	61.17
Operating lease		158.20
Short term lease	52.06	
Rates, Taxes & Fee	100.98	130.97
Travelling & Conveyance	1,213.68	1,079.58
Legal & Professional Fees	1,348.51	1,305.96
Auditors' Remuneration	17.71	24.04
Commission and Sitting Fees to Non-Executive Directors	73.25	60.25
Donations	86.13	99.51
Bank Charges	210.09	167.09
Advertisement	18.73	4.62
Commission on sales	432.40	458.05
Freight & Forwarding (Net)	468.35	420.70
Business Promotion	212.05	247.42
Exhibition Expenses	184.40	243.19
Rebate, Discounts & Claims	65.17	67.82
Provision for Doubt ful debts / Advances	29.34	-
Bad debts / Misc. Balances written off (net)	30.73	29.36
	Total Amount written off Rs. 40.01 lacs. Less: Rs 9.28 lacs out of provision.	
CSR Expenditure	237.72	153.83
Communication expense	49.82	57.96
Listing fees	5.40	5.40
Other Miscellaneous Expenses	288.75	205.57
<b>Total</b>	<b>14,719.00</b>	<b>13,881.02</b>
<b>Payment to Auditors</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Audit Fee	12.25	12.25
Tax Audit Fee		1.25
Limited Review of Results (Previous auditor)	1.00	-
Limited Review of Results	2.00	3.00
<b>In other capacity</b>		
(a) For certification work	0.39	3.00
(b) For Others	0.11	2.50
Reimbursement of expenses	1.96	2.04
<b>Total</b>	<b>17.71</b>	<b>24.04</b>

### 33. TAX EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Tax expenses comprises of:</b>		
Current tax	3,272.79	3,038.82
Earlier year tax adjustment (net)	51.36	88.70
Deferred tax	(384.10)	293.27
<b>Total</b>	<b>2,940.05</b>	<b>3,420.79</b>

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	12,178.33	10,049.18
Applicable tax rate	25.17%	34.94%
Tax at the Indian tax rate of 25.17% (Previous year 34.944%) and special rate Nil (PY -11.648%)	3,065.29	3,505.58
Adjustment of expenses disallowed under income tax	347.07	109.80
Adjustment of expenses allowable under income tax	(35.14)	(419.79)
Other allowable deduction (including Ind As adjustments)	(104.43)	(159.14)
<b>Current Tax (Normal Rate)</b>	<b>3,272.79</b>	<b>3,036.45</b>
Additional Current Tax due to Special Rate	-	2.36
<b>Current Tax (A)</b>	<b>3,272.79</b>	<b>3,038.81</b>
Incremental Deferred tax Liability on timing Differences (Net)	(384.10)	293.26
	-	-
<b>Deferred Tax (B)</b>	<b>(384.10)</b>	<b>293.26</b>
<b>Tax expenses for earlier year (net) (C)</b>	<b>51.36</b>	<b>88.70</b>
<b>Tax expenses recognised in the statement of profit and loss (A+B+C)</b>	<b>2,940.05</b>	<b>3,420.77</b>
Effective tax rate	24.14%	34.04%

The company has elected to exercise the option permitted under section 115BAA of Income Tax Act, 1961 as introduced by taxation laws (Amendment) Ordinance 2019. Accordingly, the company has recognised provision for current tax/deferred tax for the year ended 31<sup>st</sup> March 2020 and also remeasured its deferred tax liability on the basis of rate as prescribed in the said section.

## POLY MEDICURE LIMITED

### Notes to Standalone Financial Statements for the year ended 31 March, 2020

#### CORPORATE AND GENERAL INFORMATION

Poly Medicure Limited ("the Company") is domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the company is situated at 232B, 3rd Floor, Okhla Industrial Estate, Phase III, New Delhi, India.

The Company is a manufacturer/producer of Medical Devices.

The standalone financial statements of the company for the year ended 31st March 2020 were approved and authorized for issue by the Board of directors in their meeting held on 5<sup>th</sup> June 2020.

#### STATEMENT OF COMPLIANCE

The financial statements are a general purpose financial statement which have been prepared in accordance with the Companies Act 2013, Indian Accounting Standards and complies with other requirements of the law.

#### BASIS OF PREPARATION

These financial statements have been prepared complying in all material respects as amended from time to time with the accounting standards notified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules 2015. The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA").

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

#### Classification of Assets and Liabilities into Current and Non-Current

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;

- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

#### SIGNIFICANT ACCOUNTING POLICIES

##### a Basis of Measurement

The Financial Statements of the company are consistently prepared and presented under historical cost convention on an accrued basis in accordance with IND AS except for certain Financial Assets and Financial Liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees ('INR'), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lacs (except otherwise indicated).

##### b Property, plant and equipment

- (i) Property, plant and equipment situated in India are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

- (ii) **Depreciation**  
Depreciation on Property, plant and equipment is provided on Straight Line Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013.
- (iii) **Component Accounting**  
When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- (iv) Stores and Spares which meets the definition of Property, plant and equipment and satisfying recognition criteria of Ind AS - 16 are capitalised as Property, plant and equipment and until that in capital work in progress.
- (v) Lease Hold Assets are amortised over the period of lease.
- (vi) Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective property plant and equipment on completion of construction/erection.
- (vii) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.
- (viii) The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (ix) Capital work in progress includes cost of Property, Plant and Equipment which are not ready for their intended use.
- c Intangible assets:**
- (i) Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis. In respect of patents and trademarks, useful life has been estimated by the management as 10 years unless otherwise stated in the relevant documents and in respect of SAP softwares as 10 year and other software as 3 years.
- (ii) Software: Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.
- The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives (like goodwill, brands), if any, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.
- d Investment properties:**  
Investment properties are properties held either to earn rental income or capital appreciation or for both but not for sale in the ordinary course of business, use in production or supply of goods or services or for other administrative purposes. Investment properties

are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation or impairment loss. Depreciation on investment properties are provided over the estimated useful life and is not different than useful life as mentioned in schedule II of the Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in profit or loss in the period of derecognised.

Though the company measures investment properties using cost based measurement, the fair value of investment properties is disclosed in the notes. Fair value are determined by using circle rates of the concerned registration authority.

**e Research and development cost:**

Research Cost:

Revenue expenditure on research is expensed under the respective heads of account in the period in which it is incurred and is grouped as "Research and development expenses".

Development Cost:

Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

**f Inventories:**

Raw materials, Packing materials, Stores and Spares are valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity and depreciation.

Stock in Trade is valued at lower of cost and net realisable value

Scrap is valued at estimated realisable value.

**g Financial instruments:**

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

**h Financial assets:**

Financial assets include Investments, trade receivables, cash and cash equivalents, derivative financial assets, loans and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

(i) Investment in equity shares:

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Statement of profit and loss.

(ii) Investment in associates, joint venture and subsidiaries:

The Company's investment in subsidiaries and associates, joint venture are at carried at cost except where impairment loss recognised.

(iii) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances/ provision for doubtful debts.

- (iv) **Cash and cash equivalents:**
- Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost.
  - Other Bank Balances: Unclaimed / Unpaid dividend amount balance, deposit with bank as margin money for guarantees issued by bank, deposit kept as security deposit with statutory authorities are accounted as bank balance other than cash and cash equivalents.
  - Cash Flow Statement: Cash Flows are reported using indirect method whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of company are segregated.
- (v) **Loans & other financial assets:**  
Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.
- i Impairment of Financial assets:**  
In accordance with Ind AS 109, the company uses expected credit loss (ECL) model for evaluating, measurement and recognition of impairment loss.
- j Financial liabilities:**
- (i) Classification:**  
The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- (ii) Initial recognition and measurement:**  
All financial liabilities are recognized initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.
- (iii) Subsequent measurement:**  
All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- (iv) Loans and borrowings:**  
Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. The EIR amortization is included as finance cost in the Statement of Profit and Loss.
- (v) De-recognition of financial liabilities:**  
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.
- (vi) Derivative financial instruments:**  
The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit

or loss on cancellations/renewals of forward contracts and options are recognized as income or expense during the period.

**k Impairment of non-financial assets:**

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is determined:

- In the case of an individual asset, at the higher of the Fair Value less cost to sell and the value in use,
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of Profit and Loss. Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of Profit and Loss.

**l Foreign exchange transactions:**

- Functional and presentation Currency:  
The functional and reporting currency of company is INR.
- Transaction and Balances:  
Foreign exchange transactions are accounted for

at the exchange rate prevailing on the date of transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at reporting date. All exchange gain or loss arising on translation of monetary items are dealt with in statement of profit and loss.

**m Revenue recognition:**

The company derives revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, the company recognises revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography.

- **Export incentive:**  
Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.
  - **Dividend income:**  
Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.
  - **Interest income:**  
For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.
  - **Rental income:**  
Rental income on investment properties are accounted for on accrual basis.
- n Government Grant**
- Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

- Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.
- In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfillment of associated export obligations.

**o Employees Benefits:**

i) Short term employee Benefit:

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Defined Contribution Plan:

Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

iii) Defined Benefit Plan:

The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net

interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.
- Net interest income or expense.

iv) Long term Employees Benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

v) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) when the entity can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

**p Share based payments:**

Equity settled share based payments to employees are measured at fair value of equity instrument at the grant date. The fair value determined at grant date is

expensed on straight line basis over the vesting period based on the company's estimate of equity instrument that will eventually vest with corresponding increase in equity. At the end of each reporting period, the company revise its estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognised in statement of profits and loss such that cumulative expense reflect the revised estimate with a corresponding adjustment to Share based Payments Reserve. The dilutive effect of outstanding option is reflected as additional dilution in computation of diluted earning per share.

**q Borrowing costs:**

- (i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (ii) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
- (iii) All other borrowing costs are recognised as expense in the period in which they are incurred.

**r Leases:**

The Company has applied IND AS 116 with effect from 1.4.2019. In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismantling and

removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense over lease term.

**s Taxes on income:**

- (i) Current Tax:
  1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed

in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax:

1. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.
2. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled.
3. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognised directly in equity.

**t Provisions, Contingent liabilities, Contingent assets and Commitments:**

(i) General:

The Company recognises provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in financial statement when an inflow of economic benefits is probable.

Provisions, Contingent liabilities, Contingent assets and Commitments are reviewed at each balance sheet date.

(ii) Other Litigation claims:

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

(iii) Onerous contracts:

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

**u Exceptional Items:**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as

an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**v Earnings per share:**

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**w Segment reporting:**

The operating segment of the company is medical devices and the same have been evaluated on management approach as defined in Ind AS - 108 "Operating Segment". The company accordingly reports its financials under one segment namely "Medical Devices".

**x Financial statement classification:**

Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

**y Fair value measurement:**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.  
Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**z Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimation of uncertainty related to Global Health Pandemic from COVID-19**

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Standalone Financial Statements.

**i Income taxes:**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

**ii Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including book value, Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required

in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**iii Lease:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In exercising whether the company is reasonably certain to exercise an option to extend a lease or to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease or to exercise the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

**iv Depreciation/Amortisation and useful life of Property, Plant and Equipment:**

The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act, 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

**v Impairment of Financial & Non-Financial Assets:**

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Company uses judgements in making these assumptions and selecting inputs for impairment calculations based on existing market conditions, past history, technology, economic developments as well as forward looking estimates at the end of each reporting period.

- vi **Provisions:**  
The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.
- vii **Contingencies:**  
Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- aa **Capital:**  
Debt and equity instruments:  
Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

### 34 Fair value measurement

#### i Financial instruments: Accounting classification and fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Particulars	31-03-2020						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments							
In subsidiaries / Associates	3,979.85	-	-	3,979.85	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,044.80	-	-	12,044.80	-	-	-
Cash & cash equivalents	189.46	-	-	189.46	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,870.12	-	-	3,870.12	-	-	-
<b>Total financial assets</b>	<b>23,962.92</b>	<b>1,815.20</b>	-	<b>22,147.72</b>	-	<b>1,815.20</b>	-
<b>Financial liabilities</b>							
Borrowings	15,490.16	-	-	15,490.16	-	-	-
Trade payables	6,047.66	-	-	6,047.66	-	-	-
Lease Liabilities	432.34	-	-	432.34	-	-	-
Other financial liabilities	5,526.39	227.61	-	5,298.78	-	227.61	-
<b>Total financial liabilities</b>	<b>27,496.55</b>	<b>227.61</b>	-	<b>27,268.94</b>	-	<b>227.61</b>	-

(₹ in Lacs)

Particulars	31-03-2019						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments							
In subsidiaries / Associates	3,978.85	-	-	3,978.85	-	-	-
In Fixed Maturity Plans	224.04	224.04	-	-	-	224.04	-
In Liquid Mutual Funds	26.76	26.76	-	-	-	26.76	-
Trade receivables	12,414.02	-	-	12,414.02	-	-	-
Cash & cash equivalents	291.14	-	-	291.14	-	-	-
Other bank balances	5,027.60	-	-	5,027.60	-	-	-
Loans	22.78	-	-	22.78	-	-	-
Other financial assets	1,642.36	112.07	-	1,530.29	-	112.07	-
<b>Total financial assets</b>	<b>23,627.55</b>	<b>362.87</b>	-	<b>23,264.68</b>	-	<b>362.87</b>	-
<b>Financial liabilities</b>							
Borrowings	12,650.40	-	-	12,650.40	-	-	-
Trade payables	4,959.62	-	-	4,959.62	-	-	-
Other financial liabilities	4,409.05	-	-	4,409.05	-	-	-
<b>Total financial liabilities</b>	<b>22,019.07</b>	-	-	<b>22,019.07</b>	-	-	-

The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets / liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

The levels have been classified based on the followings:

- Level 1:** It hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.
- Level 2:** The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- Close ended mutual funds at NAV's declared by AMFI.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India).
- Derivative Instruments at values determined by counter parties/Banks using market observable data.
- Certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value.

## 35. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>a Contingent liabilities not provided for:</b>		
Compensation for enhanced cost of Land pending with District & Session Court Faridabad (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88
<b>b Obligations and commitments outstanding:</b>		
Unexpired letters of credit ₹ 1,068.77 lacs (Previous year ₹ 743.67 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,863.46 lacs (Previous year ₹ 1,359.41 lacs), (Net of margins)	2,932.23	2,103.08
Bills discounted but not matured	890.73	1,008.66
Custom duty against import under EPCG Scheme	1,927.70	1,074.52
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	5,612.40	2,295.56

## 36. Financial Risk Management

The Company's activities expose it to price risk, credit risk, liquidity risk and market risk.

This note explains the source of risk which the company is exposed to and how it manages the risk and its impact on the financial statement. These risks are managed by the senior management of the company supervised by the Board of Directors to minimise potential adverse effects on the financial performance of the company.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash & cash equivalent, Financial instruments, Financial assets & Trade Receivable	Credit Rating and ageing analysis	Diversification of counter Parties, setting of trade receivable, review of outstanding / overdues
Liquidity Risk	Other Liabilities	Maturity Analysis	Maintenance of Sufficient cash and cash Equivalent, Fixed Deposit & other marketable securities
Market Risk-Foreign exchange	Highly probable forecast transactions	Sensitivity analysis	Forward Foreign Exchange Contracts

The Board of Directors of the company provides guiding principles for overall risk management, as well as policies covering specific areas i.e. foreign exchange risk, credit risk & Investment of Surplus liquidity.

The company's risk management is carried out by finance department, accordingly, this department identifies, evaluates and hedges financial risk.

### A) Price Risk

The main Raw materials for manufacturing of Medical devices are various types of Plastic Granules i.e. PP, LDPE, HDPE, PC, PA, SAN, ABS and K. Resin etc. The prices of Raw materials are mainly dependent on the price of Crude Oil. The majority of Raw materials are being imported by the Company and the few are procured indigenously. In case of imported Raw materials, the adverse forex movements are covered

by the natural hedge. In case of the drastic price rise of Raw materials during the year, the Company makes appropriate changes in the prices of Finished Products, after due discussions with the customers. The prices of Finished Goods are generally reviewed every year and appropriate changes in prices are made to offset the increase in cost.

#### B) Credit Risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables

#### Credit Risk Management

The company has invested in fixed deposit and fixed

maturity plan and also in liquid mutual funds and have invested only with those funds plan having good credit rating / track record. The company reviews the creditworthiness of these counterparties on an ongoing basis. Another credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customer to whom credit is extended in normal course of business. The company estimates the expected credit loss on the basis of past data and experience. The company also takes proper ECGC cover based on risk based classification of trade receivables.

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
India	3,272.03	3,928.60
Europe	2,906.31	2,265.83
USA	23.93	17.11
Others	5,842.53	6,202.48
	<b>12,044.80</b>	<b>12,414.02</b>

Review of outstanding trade receivables and financial assets is carried out by the management each quarter. The Company has a practice to provide for provision for doubtful debts on the basis of duly board approved policy on provision for bad & doubtful debts.

#### Reconciliation of loss allowance provisions:

Particulars	(₹ in Lacs)		
	Deposits	Trade receivable	Advances
Loss Allowance as on 1 April 2018	12.82	33.64	84.79
Change In loss allowance	(3.04)	(3.80)	(7.71)
Loss Allowance as on 31 March 2019	9.78	29.84	77.08
Change In loss allowance (Net)	(1.10)	0.74	20.42
<b>Loss Allowance as on 31 March 2020</b>	<b>8.68</b>	<b>30.58</b>	<b>97.50</b>

COVID-19: The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

**C) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rate. The company's main interest rate risk arises from long term borrowings with variable rates (LIBOR plus) which exposes the company to cash flow interest rate risk.

- i) Interest rate risk exposure - The exposure of the company's borrowing to interest rate changes at the end of reporting period is as follows:

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
Variable rate borrowing	11,792.74	5,401.09
Fixed rate borrowing	7,168.35	9,636.16
<b>Total</b>	<b>18,961.09</b>	<b>15,037.25</b>

The analysis by maturities is provided in note D "Maturities of Financed liabilities" below.

- ii) Sensitivity analysis: For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole year:-

Particulars	(₹ in Lacs)	
	Impact on profit before tax for the year ended	
	31 March 2020	31 March 2019
Interest rate- increase by 50 basis point	58.96	27.01
Interest rate- decrease by 50 basis point	(58.96)	(27.01)

**D) Liquidity Risk**

The company's principle source of liquidity are cash & cash equivalent and cash flows that are generated from operations. The company believes that its working capital is sufficient to meet its current requirement. Additionally, the company has sizeable surplus funds in fixed maturity plan, liquid mutual fund and also in fixed deposit ensuring safety of capital and availability of liquidity as and when required hence, the company do not perceive any liquidity risk.

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
The company has working capital funds which Includes		
Cash and cash equivalent	189.46	291.14
Current investments in liquid mutual funds	1,592.21	26.76
Bank balances	2,049.78	5,027.60
Trade receivable	12,044.80	12,414.02
<b>Total</b>	<b>15,876.25</b>	<b>17,759.52</b>

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
<u>Fixed</u>		
Cash credit and other facilities	3,657.25	3,987.57
<u>Variable</u>		
Other facilities	-	-

**Contractual maturities of significant financial liabilities are as under :**

Maturities of financial liabilities

(₹ in Lacs)

Particulars	Less than and equal to 1 year	More than 1 year	Total
<b>As at 31 March 2020</b>			
Trade payable	6,047.66	-	6,047.66
Other Financial liabilities	9,959.81	11,489.08	21,448.89
<b>Total</b>	<b>16,007.47</b>	<b>11,489.08</b>	<b>27,496.55</b>
<b>As at 31 March 2019</b>			
Trade payable	4,959.62	-	4,959.62
Other Financial liabilities	7,533.86	9,525.58	17,059.44
<b>Total</b>	<b>12,493.48</b>	<b>9,525.58</b>	<b>22,019.06</b>

**E) Market Risk****COVID-19 related risk**

The Company being engaged in manufacture of medical devices and related items (being essential item) has not witnessed any significant interruptions in the supply and production cycle due to COVID-19 and kept production and despatches on-going during lockdown period.

**Foreign Currency Risk**

The company operates significantly in international markets through imports and exports and therefore exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD/Euro/GBP/JPY. The risk is measured through sensitivity analysis. In order to minimize any adverse effect on the financial performance of the company, financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk.

- (i) The company uses foreign exchange forward contracts to mitigate exposure in foreign currency risk. The foreign exchange forward contract outstanding at reporting date are as under: -

(in Lacs)

Particulars	Type	Currency	As at 31-03-2020		As at 31-03-2019	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	69.27	5,233.51	54.03	3,736.31
		EURO:INR	12.06	1,005.14	6.00	466.01
		GBP:INR	9.07	851.04	-	-
	Buy	EURO:INR	-	-	0.39	30.60
		JPY:INR	285.42	199.79	73.02	45.57

## (ii) Particulars of Unhedged Foreign Currency Exposure as at reporting date (Net exposure to Foreign Currency Risk) (in Lacs)

Particulars	Currency	As at 31-03-2020		As at 31-03-2019	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR			21.78	1,506.05
	EURO:INR	(90.59)	(7,548.59)	(36.56)	(2,839.78)
	USD:INR			(18.49)	(1,278.79)
	EURO:INR			3.59	279.07
	GBP:INR	(2.39)	(223.79)	2.69	243.34
	CAD:INR	(0.05)	(2.41)	-	-
	LE.:INR	(9.44)	(45.46)	9.44	37.78
	SEK:INR	(1.51)	(11.53)	0.09	0.68
	JPY:INR	(639.31)	(449.83)	-	-
	AUD:INR	(0.01)	(0.35)	-	-
	SGD:INR	-	-	0.03	1.54

(iii) Maturity of outstanding foreign exchange forward contracts  
The details in respect of maturity of outstanding forward exchange forward contract are as given: - (₹ in Lacs)

Particulars	Type	Currency	As at 31-03-2020	As at 31-03-2019
Not later than 3 months	Sell	USD:INR	870.68	1,385.21
		EURO:INR	213.59	-
		GBP:INR	165.25	-
	Buy	EURO:INR	-	30.60
JPY:INR		199.79	45.57	
Later than 3 months and not later than 6 months	Sell	USD:INR	2,023.46	1,210.13
		EURO:INR	499.92	155.34
		GBP:INR	258.01	-
Later than 6 month & not later than one year	Sell	USD:INR	2,339.36	1,140.98
		EURO:INR	291.62	310.68
		GBP:INR	427.79	-

## (iv) The mark to market gain or loss on foreign currency are as under: - (₹ in Lacs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Mark to market loss / (Gain) accounted for (Net)	334.68	(157.08)

**37 CAPITAL MANAGEMENT****a) Risk Management -**

The company is cash surplus and has no capital other than equity. The Cash surplus are currently invested in fixed maturity plan, Liquid mutual funds and also in fixed deposit with banks. Safety of capital is of prime importance to ensure availability of capital for company's business requirement. Investment objective is to provide safety and adequate return on surplus funds. The company's adjusted net debt to equity ratio at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Gross borrowings	18,961.09	15,037.25
Less: cash and cash equivalents	189.46	291.14
Adjusted net debt	18,771.63	14,746.10
Total Equity	42,928.43	37,977.99
Adjusted net debt to equity	43.73%	38.83%

The company's total owned funds of ₹ 42,928.43 lacs with ₹ 18,771.63 Lacs as net debts is considered adequate by the management to meet its business interest and any capital risk it may face in the future.

**b) Loan Covenants**

Under the terms of borrowing facilities, the company is required to comply with certain financing covenants and the company has complied with those covenants through out the reporting period.

**c) Dividend**

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
<b>Dividend recognised in the financial statements</b>		
Final dividend for year ended 31-Mar-19 of ₹ 2 per equity share (31-Mar-18 ₹ 2)	1,764.94	1,764.54
Interim dividend for year ended 31-Mar-20 of ₹ 2 per equity share	1,764.94	
Dividend tax	725.58	362.71

**38** The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 'Lease' which replaces existing lease Standard, Ind AS 17 leases and other Interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It introduces a single lease accounting model for lessees.

The Company has adopted Ind AS 116 effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to opening balance of retained earnings as on April 1, 2019.

On transition date i.e. April 1, 2019 the Company has recognised a lease liability measured at the present value of remaining lease payments. The right of use assets is recognised at its carrying amount as if the standard had been applied since the commencement of the lease but discounted using lessee's incremental borrowing rate.

Accordingly, right of use asset of Rs 402.22 lacs and a corresponding lease liability of Rs 524.97 lacs has been recognised. The cumulative effect on transition adjusted in retained earning as on April 1, 2019 amounted to Rs. 79.86 lacs (net of deferred tax of Rs. 42.89 lacs). The lease payments including interest have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in balance sheet at the date of initial application.

On application of IndAs 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for right to use asset and finance cost for interest accrued on lease liability.

The details of right of use asset held by the company is as follows:

The Following is break up of current and non-current lease liabilities as at 31st March 2020

(₹ in Lacs)

Particulars	As at
	31 March 2020
Current lease liabilities	104.02
Non-Current lease liabilities	328.32
	<b>432.34</b>

The following is movement in lease liabilities during the year ended 31<sup>st</sup> March 2020

		(₹ in Lacs)
Particulars		Year Ended 31 March 2020
Balance at the beginning of the year 1 <sup>st</sup> April, 2019		524.97
Addition during the year		-
Finance cost accrued during the year		43.49
Payment of lease liabilities (including interest)		136.12
Balance at the end of the year 31 <sup>st</sup> March, 2020		<b>432.34</b>

			(₹ in Lacs)
Particulars	Additions for the year ended 31 <sup>st</sup> March 2020	Net Carrying amount as at 31 <sup>st</sup> March 2020	
Building	-	309.40	

Depreciation on right of use asset is Rs 92.82 lacs and Interest on lease liability for year ended 31<sup>st</sup> March 2020 is Rs 43.49 lacs.

Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activities in ordinary course.

#### Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March 2020 on an undiscounted basis:

				(₹ in Lacs)
Particulars	Short term lease charges payable	Long term lease Charges payable	As at 31 <sup>st</sup> March 2020	
Less than one year	67.5	138.75	206.25	
Up to five year	-	365.22	365.22	
More than five year	-	-	-	

The company do not foresee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

Rental expense recorded for short term lease amounted to Rs.52.06 lacs and grouped as short term lease expense in Note No. 32 other expense.

## 39 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 "Related Party Disclosures" are as under:

### A List of related parties and relationships

- a Subsidiaries, Step-subsiary and Associate

**Subsidiaries**

- 1 Poly Medicure (Laiyang) Co. Ltd., China
- 2 Poly Medicure BV, Netherlands
- 3 Plan 1 Health India Pvt.Ltd.

**Step-Subsidiary**

- 1 Plan 1 Health SRL, Italy (Wholly owned subsidiary company of Poly Medicure BV, Netherlands)

**Associate**

- 1 Ultra For Medical Products (UMIC), Egypt

**b Key Management Personnel & Relative**

- 1 Mr. Himanshu Baid (Managing Director)
- 2 Mr. Rishi Baid (Joint Managing Director)
- 3 Mr. J. K. Oswal (CFO)
- 4 Mr. Avinash Chandra (Company Secretary)
- 5 Mr. Devendra Raj Mehta (Independent Director)
- 6 Mr. Prakash Chand Surana (Independent Director)
- 7 Mr. Shailendra Raj Mehta (Independent Director)
- 8 Dr. Sandeep Bhargava (Independent Director)
- 9 Mr. Alessandro Balboni
- 10 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)
- 11 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)
- 12 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)

**c Enterprises over which key management personnel and their relatives exercise significant influence**

- 1 Vitromed Healthcare
- 2 Jai Polypan Pvt. Ltd.
- 3 Stilocraft
- 4 Polycure Martech Ltd.

**B Transactions with related parties**

(₹ in Lacs)

Particulars	Subsidiaries, Step Subsidiary and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
<b>Sales of Goods</b>	<b>831.29</b>	<b>870.94</b>			<b>1,141.07</b>	<b>1,642.80</b>
Ultra for Medical Products Egypt	801.54	869.99				
Plan 1 Health SRL, Italy	29.75	0.95				
Vitromed Healthcare					1,141.07	1,642.80
<b>Purchases of Goods/Bussiness support &amp; marketing services</b>	<b>90.05</b>	<b>34.52</b>			<b>11.30</b>	<b>-</b>
Plan 1 Health SRL, Italy	60.75					
Poly Medicure (Laiyang) Co. Ltd	29.30	34.52				
Vitromed Healthcare					11.30	-
<b>Job work</b>					<b>4,938.10</b>	<b>4,405.30</b>
Vitromed Health Care					4,938.10	4,405.30
<b>Rent received</b>					<b>0.20</b>	<b>0.20</b>
Vitromed Healthcare					0.20	0.20
<b>Rent paid</b>					<b>1.70</b>	<b>1.70</b>
Jai Polypan Pvt. Ltd.					1.70	1.70

<b>Dividend/ Governing Council Share</b>	<b>45.46</b>	<b>155.31</b>				
Ultra for Medical Products, Egypt	45.46	155.31				
<b>Amount paid on behalf of and received back</b>	<b>-</b>	<b>24.97</b>				
Poly Medicure BV, Netherlands	-	24.97				
<b>Advance to Subsidiaries / Associates</b>	<b>11.40</b>					
Plan 1 Health SRL, Italy	11.40					
Ultra for Medical Products Egypt	-					
<b>Advance From Subsidiaries / Associates</b>	<b>31.60</b>					
Plan 1 Health SRL, Italy	-					
Ultra for Medical Products Egypt	31.60					
<b>Directors / Key Managerial Personnels' Remuneration including commission</b>			<b>1,251.54</b>	<b>937.54</b>		
Mr. Himanshu Baid			599.83	443.01		
Mr. Rishi Baid			583.82	432.69		
Mr. J. K. Oswal			57.48	52.72		
Mr. Avinash Chandra			10.40	9.12		
<b>Defined benefit obligations</b>			<b>43.27</b>	<b>15.20</b>		
Mr. Himanshu Baid			23.26	6.81		
Mr. Rishi Baid			18.76	7.78		
Mr. J. K. Oswal			1.07	0.54		
Mr. Avinash Chandra			0.18	0.07		
<b>Share based payment</b>			<b>0.33</b>	<b>0.93</b>		
Mr. J. K. Oswal			0.33	0.93		
<b>Salary and perquisites</b>			<b>106.48</b>	<b>53.04</b>		
Mr. Vishal Baid			106.48	53.04		
<b>Commission and Sitting fees</b>			<b>73.25</b>	<b>60.25</b>		
Mr. J. K. Baid			11.75	9.75		
Mrs. Mukulika Baid			11.75	9.75		
Mr. Devendra Raj Mehta			13.25	11.00		
Mr. Prakash Chand Surana			12.50	9.25		
Mr. Shailendra Raj Mehta			12.00	10.75		
Dr. Sandeep Bhargava			12.00	9.75		
<b>Investment in Subsidiary Companies</b>	<b>1.00</b>	<b>3,417.79</b>				
Poly Medicure BV, Netherlands	-	3,417.79				
Plan 1 Health India Pvt. Ltd.	1.00					
<b>Investment Written Off</b>	<b>-</b>	<b>130.33</b>				
US Safety Syringes Co. LLC, USA	-	130.33				
<b>Management Fee</b>			<b>209.31</b>	<b>141.84</b>		
Mr. Alessandro Balboni			209.31	141.84		

**Outstanding balances at the year end**

(₹ in Lacs)

Particulars	Subsidiaries and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
<b>Dividend/Share Governing Council outstanding</b>	<b>45.46</b>	<b>37.78</b>				
Ultra for Medical Devices	45.46	37.78				
<b>Directors' Remuneration / Salary payable</b>			<b>331.90</b>	<b>399.70</b>		
Mr. Himanshu Baid			161.23	196.19		
Mr. Rishi Baid			162.70	197.68		
Mr. Vishal Baid			4.33	2.43		
Mr. J. K. Oswal			3.10	2.84		
Mr. Avinash Chandra			0.54	0.56		
<b>Commission Payable</b>			<b>48.60</b>	<b>40.50</b>		
Mr. J. K. Baid			8.10	6.75		
Mrs. Mukulika Baid			8.10	6.75		
Mr. Devendra Raj Mehta			8.10	6.75		
Mr. Prakash Chand Surana			8.10	6.75		
Mr. Shailendra Raj Mehta			8.10	6.75		
Dr. Sandeep Bhargava			8.10	6.75		
<b>Management Fee &amp; Others Payable</b>			<b>13.99</b>	<b>16.71</b>		
Mr. Alessandro Balboni			13.99	16.71		
<b>Trade Receivable</b>	<b>516.80</b>	<b>624.56</b>			<b>26.96</b>	<b>71.05</b>
Vitromed Healthcare					26.96	71.05
Plan 1 Health SRL , Italy	21.51	0.95				
Ultra for Medical Products	495.29	623.61			-	-
<b>Trade Payable / Payable for capital goods</b>	<b>48.40</b>	<b>14.95</b>			<b>406.30</b>	<b>420.06</b>
Vitromed Healthcare					406.30	420.06
Poly Medicure (Laiyang) Co. Ltd	-	14.95				
Plan 1 Health SRL, Italy	16.80	-				
<b>Advance from customer</b>						
Ultra for Medical Products	31.60	-				
<b>Advance against Goods/Services</b>						
Plan 1 Health SRL, Italy	11.40	-				

**40 EARNINGS PER SHARE (EPS) OF ₹ 5/- EACH:**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Net profit after tax available for equity share holders (₹ In lacs)	9,238.28	6,628.39
<b>Basic Earnings per Share</b>		
Number of shares considered as Basic weighted average shares outstanding during the year	8,82,46,980	8,82,36,930
Basic Earnings per Share (in ₹)	10.47	7.51
<b>Diluted Earnings per Share</b>		
Weighted Average no. shares outstanding during the year	8,82,46,980	8,82,36,930
Effect of dilutive issue of stock options	34,378	10,050
Weighted Average no. shares outstanding for diluted EPS	8,82,81,358	8,82,46,980
Diluted Earnings per Share (in ₹)	10.46	7.51

## 41 EMPLOYEE BENEFIT:

As per Ind AS - 19 "Employee Benefits", the disclosures are as under:

### I Defined Contribution Plan - Provident Fund

The company makes contribution towards Provident Fund to Regional fund commissioner. The contribution payable by the company are at the rates specified in the rules of the scheme.

During the year, the company has recognised the following amount in statement of profit and loss

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Employers' contribution to provident fund * #	583.46	407.42

\* included in "contribution to provident fund and others" under employee benefit expenses (refer note no. 28)

# excluding contribution to provident fund transferred to Research and Development Expenses ₹ 12.56 lacs (PY ₹ 8.37 lacs)."

### II Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognised are as under:

#### a) Gratuity (Funded)

##### (i) Present Value of Defined benefit Obligation

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
<b>Obligations at year beginning</b>	<b>321.58</b>	<b>268.28</b>
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest expenses	24.60	20.47
Actuarial (gain) / Loss on PBO	(38.98)	(3.70)
Benefit payments	(24.91)	(14.36)
Addition due to transfer of employee	-	-
<b>Obligations at year end</b>	<b>333.23</b>	<b>321.58</b>

##### (ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
<b>Fair value of plan assets at the beginning of the period</b>	<b>157.55</b>	<b>137.22</b>
Actual return on plan assets	12.16	10.50
Less- FMC Charges	(0.90)	(0.81)
Employer contribution	18.00	25.00
Benefits paid	(24.91)	(14.36)
<b>Fair value of plan assets at the end of the period</b>	<b>161.91</b>	<b>157.55</b>

**(iii) Assets and Liabilities recognized in the Balance Sheet**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Present Value of the defined benefit obligations	333.23	321.58
Fair value of the plan assets	161.91	157.55
<b>Amount recognized as Liability</b>	<b>171.32</b>	<b>164.03</b>

**(iv) Defined benefit obligations cost for the year:**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest Cost	12.55	10.00
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
<b>Net defined benefit obligations cost</b>	<b>63.48</b>	<b>60.89</b>

**(v) Amount recognised in Other Comprehensive Income (OCI)**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	38.98	3.70
Actuarial gain /(loss) for the year on Asset	(0.79)	(0.79)
Unrecognized actuarial gain/(loss) for the year	38.19	2.90

**(vi) Investment details of Plan Assets**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
The details of investments of plan assets are as follows:		
Funds managed by Insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

**(vii) Actuarial assumptions:**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Discount Rate per annum	6.92%	7.65%
Future salary increases	4.00%	5.50%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**(viii) Demographic Assumptions:**

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
i) Retirement Age (Years)	60.00	60.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
iii) Attrition at Ages	" Withdrawal Rate (%) "	
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**(ix) Amount recognized in current year and previous four years:**

(₹ in Lacs)

Particulars	Year ended				
	31-03-2020	31-03-2019	31-03-2018	31-03-2017	31-03-2016
Defined benefit obligations	333.23	321.58	268.28	260.83	194.65
Plan assets	(161.91)	(157.55)	(137.22)	(5.00)	-
<b>Deficit /(Surplus)</b>	<b>171.32</b>	<b>164.03</b>	<b>131.06</b>	<b>255.83</b>	<b>194.65</b>

**(x) Expected Contribution to the Fund in the next year**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Service Cost	65.87	64.39
Net Interest Cost	11.86	12.55
Expected contribution for next annual reporting period	77.73	76.94

**(xi) Sensitivity Analysis**

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

(₹ in Lacs)

Particulars	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	31-03-2020	31-03-2019	Impact	31-03-2020	31-03-2019	Impact	31-03-2020	31-03-2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(20.65)	(20.50)	Increase by	22.75	22.60
Future salary increases	0.50%	0.50%	Increase by	21.85	22.97	Decrease by	(19.91)	(21.00)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

**(xii) Maturity Profile of Defined Benefit Obligation**

(₹ in Lacs)

Sr. No.	Year	Amount
a	0 to 1 Year	23.92
b	1 to 2 Year	5.16
c	2 to 3 Year	7.00
d	3 to 4 Year	5.53
e	4 to 5 Year	7.13
f	5 to 6 Year	9.36
g	6 Year onwards	275.14

**(xiii) Risk exposure**

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- A) **Salary Increases:** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) **Investment Risk:** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**b) Leave Encashment (Unfunded)**

The Leave Encashment liability of ₹ 161.72 lacs form part of long term provision ₹ 143.67 Lacs (PY ₹ 106.06 Lacs) and short term provision ₹ 18.05 Lacs (PY ₹ 12.65 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

**42** Borrowing cost of ₹ 5.97 lacs (Previous Year ₹ Nil) have been included in capital work in progress.

**43 SEGMENT INFORMATION:**

Description of segment and principal activity. The company is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The company has regular review procedures in place and Managing director reviews the operations of the company as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

## i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Medical Devices	62,908.94	56,765.02
<b>Total</b>	<b>62,908.94</b>	<b>56,765.02</b>

## ii) Revenue as per geographical area (Ind AS 108, Para 33 (a) )

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
With in India	18,683.90	16,397.89
Outside India	44,225.04	40,367.13
<b>Total</b>	<b>62,908.94</b>	<b>56,765.02</b>

iii) None of the non-current assets (other than financial instruments, investment in subsidiaries/ associates) are located outside India.

iv) None of the customers of the company individually account for 10% or more sale.

v) The Company being manufacture of medical devices continued its operations as per applicable guidelines of central and state government during the lock down period ended 31st March 2020 due to COVID-19. The Company has concluded that owing to nature of products the company manufactures, impact of COVID-19 is not material based on revenue estimates.

## 44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2020	31 March 2019
a	The Gross amount required to be spent by the company during the year as per Section 135 of Companies Act 2013 read with Schedule VII	174.72	160.09
b	Amount spent during the year on :		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	237.72	153.84
c	Unspent amount in CSR	-	6.26
d	The breakup of expenses included in amount spent are as under:		
	<b>Particulars</b>		
	Animal protection	0.50	
	On food relief activity	1.00	
	On promoting education	43.31	17.55
	Social welfare	0.78	
	On promotion of Healthcare	3.00	7.30
	Promoting gender equality & empower women	1.02	
	Contribution to CSR Eligible Trust, Foundation & Society	188.10	128.99
	<b>Total</b>	<b>237.72</b>	<b>153.84</b>

## 45 SHARE BASED PAYMENTS:

The company has formulated “Poly Medicare Employee Stock Option Scheme, 2015 (ESOS 2015)” which was approved by the shareholders in the annual general meeting held on 28th Sep 2015, in accordance of which the ESOP committee of board of directors of the company held on 2nd June 2016 has granted ESOP to the eligible employees on the following terms and conditions:

- The vesting period is as under:
  - On completion of 24 months from the date of grant of Options - 50%
  - On completion of 30 months from the date of grant of Options- 50%
- The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of Rs.5 each was excercised during 2018-19 and balance 10,050 equity shares in 2019-20.

“The company has also formulated “Poly Medicare Employee Stock Option Scheme, 2016 (ESOP 2016)” duly approved by the share holders in the annual general meeting held on 27th Sept 2016 in accordanace of which the ESOP Committee of Board of Directors of the company held on 27th Sept 2016 has granted 42950 equity shares to eligible employees on the following terms & Conditions: All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting, failing which the option shall lapse, or such other date as decided by the compensation committee. Provided, however that in case of cessation of employment, the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

On completion of 24 months from the date of grant of option: 50% vests.

On completion of 36 months from the date of grant of option: 50% vests.

a Details of employees stock options granted under Poly Medicare Employee Stock Option Scheme, (ESOP 2015)

Financial Year (Year of Grant)	Number	Financial year of vesting	Exercise price	Fair value
2016-17	23500	2018-19	50	296

b Details of employees stock options granted under Poly Medicare Employee Stock Option Scheme, (ESOP 2016)

Financial Year (Year of Grant)	Number	Financial year of vesting	Exercise price	Fair value
2019-20	42950	2021-22 2022-23	50	147

## c Movement of share options during the year

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	10,050	50	20,550	50
Granted during the year (ESOP-2016)	42,950	50	-	-
Forfeited during the year	1,400	-	450	-
Exercised during the year (ESOP-2015)	10,050	50	10,050	50
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	41,550	50	10,050	50

## d Compensation expenses arising on account of share based payments (₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Share based payment expenses to employees	13.89	18.69
<b>Total</b>	<b>13.89</b>	<b>18.69</b>

## e Fair value on grant date

The fair value on grant date is determined using Black Scholes Model which takes into account exercise price, terms of option, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted

Particulars	ESOS 2015	ESOS 2016
a Exercise price	50	50
b Grant date	2nd June 2016	3rd June 2019
c Vesting year	2018-19	2021-22 2022-23
d Share price at grant date	350	195
e Expected price volatility of the company share	20% to 25%	20% to 25%
f Expected dividend yield	1.18%	0.86%
g Risk free interest rate	6.50%	6.92%

The expected price volatility is based on the historic volatility.

## 46. Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from 1 April,2020.

## 47. Previous year figures have been re-grouped and re-arranged wherever necessary to conform to current year classification.

As per our report of even date annexed  
**For M C BHANDARI & Co. (Reg no.303002E)**

Chartered Accountants

Rabindra Bhandari

Partner

Membership No. 097466

Place : New Delhi

Date : 05.06.2020

**For and on behalf of the Board of Directors**

Himanshu Baid  
 Managing Director  
 DIN: 00014008

Rishi Baid  
 Joint Managing Director  
 DIN: 00048585

J.K.Oswal  
 CFO

Avinash Chandra  
 Company Secretary

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POLY MEDICURE LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Poly Medicure Limited ("the Holding Company") its foreign subsidiaries and subsidiary company incorporated in India (the Company and its subsidiaries together referred to as "the Group") its associate as per list annexed, which comprise the Consolidated Balance Sheet as at 31 March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated

cash flows including its associate for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit report of other auditors referred to in "other matter" is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the Key Audit Matter was addressed
<p><b>Goodwill</b></p> <p>The Group has recognised goodwill on consolidation amounting to ₹ 2858.11 lacs. The group conducts annual impairment testing of goodwill using discounted cash flow method. Significant judgements are used to estimate the recoverable amount of goodwill. The determination of recoverable amount involves use of several key assumptions including estimate of future sales volume, price, operating margin and discount rate and is, hence, considered as a key audit matter. The Group has assessed that no impairment in the value of goodwill is necessitated. (Refer Note 47)</p>	<p>We have assessed business plan and future cash flows of Step subsidiary company to evaluate management position on non-impairment in value of goodwill on consolidation. Our audit procedures included following:</p> <p>Evaluated the design and tested operating effectiveness of management control in assessing carrying amount of goodwill.</p> <p>Obtained computation of recoverable amount and tested reasonableness of key assumptions</p> <p>Obtained &amp; Evaluated management sensitivity analysis to ascertain impact of changes in key assumptions for determining downside impact on recoverable amount.</p>

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, as for the year ended 31 March, 2020 the other information has not yet been prepared and not yet approved by Board of Directors.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the directors of Holding company.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls. There is only one subsidiary company incorporated in India and two subsidiary companies are incorporated out of India.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statement which have been audited by other auditors situated outside India, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of holding company and subsidiary company incorporated in India included in financial statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of one foreign

subsidiary, whose financial statements reflect total assets of ₹1173.62 lacs as at 31st March 2020 and total revenue of ₹1387.38 lacs for the year then ended on that date and financial statements of one foreign associate in which the share of profit of the Group is ₹214.07 lacs. The financial statements of one foreign subsidiary namely Poly Medicure (Laiyang) Co. Ltd., China and of one associate namely Ultra for Medical Products (UMIC), Egypt, have been audited by other auditors outside India whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

The Financial Statement of one foreign subsidiary (as Consolidated) namely Poly Medicure BV Netherlands in which financial statement of Step Subsidiary Plan 1 Health are consolidated and whose consolidated financial statement/information reflect total assets of ₹4868.58 Lacs as at 31st March'2020, and total consolidated revenue of ₹2857.88 Lacs for the year ended on that date as considered in the Consolidated financial statements. These consolidated financial statement/financial information have not been audited as based on article 2.396 Section 6 of Dutch Civil Code, the said foreign subsidiary company is exempt from the obligation to have the annual accounts (including consolidated accounts) audited by the auditor, and are, therefore, management certified and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosure included in respect of the Subsidiary so far as it relates to the aforesaid subsidiary is based solely on the basis of management certified consolidated financial statements.

In respect of subsidiaries/ associate located outside India whose financial result and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditor/ management certified. The holding company's management has converted the financial results of such subsidiaries/associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the holding company's management. Our opinion in so far as it relates to the balances and affair of such subsidiaries/ associate located outside India is based on the report of other auditor/ management certified and the conversion adjustment prepared by the management of the holding company and audited by us.

Our Opinion on Consolidated financial statements and our report on other legal and regulatory requirements is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statement/financial information as certified.

The Consolidated annual financial results includes the results for the quarter ended March 31,2020 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were limited reviewed by us.

Attention is drawn to the fact that the corresponding figures for the quarter ended March 31,2019 and for the period April 1,2018 to March 31,2019 are based on the previously issued consolidated annual financial results and consolidated financial statements of the company that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated annual financial results dated May 10,2019.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for

- the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the holding Company as on 31 March, 2020 taken on record by the Board of Directors of the holding Company, and of subsidiary company incorporated in India, none of the directors of the holding Company and its subsidiary company incorporated in India is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy and the operating effectiveness of the internal financial control over financial reporting with reference to these consolidated financial statement of the Holding company and its subsidiary company incorporated in India, refer to our separate report in annexure 1 to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements as also other financial information of subsidiaries, associates as noted in "other Matter" paragraph.
- i. The consolidated financial statements discloses impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding Company and subsidiary company incorporated in India.

For **M C Bhandari & Co.**  
Chartered Accountants  
**Firm's registration number: 303002E**

**Rabindra Bhandari**  
Partner  
Membership number: **097466**  
UDIN:20097466AAAAAK6412

Place: New Delhi  
Date: 5<sup>th</sup> June 2020

## Annexure - A to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Holding Company") as of that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and of subsidiary company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal financial Controls over financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of

compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company and subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### Annexure I: List of entities consolidated as at 31 March 2020

1.	Poly Medicure (Laiyang) Co. Ltd.- China - Wholly owned Subsidiary
2.	Poly Medicure BV - Netherlands (Consolidated) – Wholly owned Subsidiary
3.	Ultra for Medical Products Co. (UMIC) – Egypt – Associate
4.	Plan 1 Health India Pvt. Ltd. Subsidiary

For **M C Bhandari & Co.**

Chartered Accountants

**Firm's registration number: 303002E**

**Rabindra Bhandari**

Partner

Membership number: **097466**

UDIN: 20097466AAAAAK6412

Place: New Delhi

Date: 5<sup>th</sup> June 2020

**Poly Medicure Limited**  
**Consolidated Balance Sheet as at 31 March, 2020**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Property, plant and equipment	2	31,241.09	26,065.42
(b) Capital work-in-progress		1,669.64	936.42
(c) Right of Use		309.40	-
(d) Investment Property	3	345.91	352.07
(e) Goodwill on consolidation		2,858.11	2,858.11
(f) Intangible assets	2	1,540.49	1,350.64
(g) Intangible assets under development		800.94	1,005.38
(h) Financial Assets		-	-
(i) Investment in associates	4	723.47	503.38
(ii) Other Investments	5	222.99	224.04
(iii) Other financial assets	7	3,497.31	1,124.54
(i) Other non-current assets	8	1,744.32	808.07
<b>Total non-current assets</b>		<b>44,953.67</b>	<b>35,228.07</b>
<b>2 Current assets</b>			
(a) Inventories	9	11,209.49	8,379.09
(b) Financial assets			
(i) Investments	5	1,592.21	26.76
(ii) Trade receivables	10	12,711.71	12,838.26
(iii) Cash and cash equivalents	11	485.74	431.76
(iv) Bank balances other than (iii) above	12	2,049.78	5,027.60
(v) Loans	6	13.71	22.78
(vi) Other financial assets	7	403.81	541.46
(c) Other current assets	8	3,312.35	2,899.35
<b>Total current assets</b>		<b>31,778.80</b>	<b>30,167.06</b>
<b>TOTAL ASSETS</b>		<b>76,732.47</b>	<b>65,395.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	4,412.35	4,411.85
(b) Other equity	14	39,070.03	33,725.16
<b>Equity attributable to shareholders of the company</b>		<b>43,482.38</b>	<b>38,137.01</b>
<b>Non-controlling interest</b>		-	-
<b>Total equity</b>		<b>43,482.38</b>	<b>38,137.01</b>

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	11,057.41	9,137.97
(ii) Lease Liabilities		328.32	
(iii) Other financial liabilities	16	103.35	387.60
(b) Provisions	17	380.48	313.07
(c) Government Grants		220.48	194.00
(d) Deferred tax liabilities (Net)	18	1,448.92	1,866.31
<b>Total non-current liabilities</b>		<b>13,538.96</b>	<b>11,898.95</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	5,701.23	4,547.48
(ii) Lease Liabilities		104.02	
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		861.95	171.97
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,774.11	5,381.84
(v) Other financial liabilities	21	5,498.22	4,056.85
(b) Other current liabilities	22	1,622.60	841.85
(c) Provisions	17	41.97	34.42
(d) Current tax liabilities (net)	23	107.04	324.74
<b>Total current liabilities</b>		<b>19,711.14</b>	<b>15,359.17</b>
<b>TOTAL LIABILITIES</b>		<b>76,732.47</b>	<b>65,395.13</b>
Significant accounting policies	a-aa		
The accompanying notes are integral part of the consolidated Financial Statements	1 - 49		

As per our report of even date annexed  
**For M C Bhandari & Co. (Reg No.303002E)**  
 Chartered Accountants  
 Rabindra Bhandari  
 Partner  
 Membership No. 097466

**For and on behalf of the Board of Directors**  
 Himanshu Baid  
 Managing Director  
 DIN: 00014008

Rishi Baid  
 Joint Managing Director  
 DIN: 00048585

Place : New Delhi  
 Date : 05.06.2020

J.K.Oswal  
 CFO

Avinash Chandra  
 Company Secretary

**Poly Medicure Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March, 2020**

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
Revenue from operations	24	68,723.90	61,082.53
Other income	25	1,846.34	1,826.71
<b>Total Revenue</b>		<b>70,570.24</b>	<b>62,909.24</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	22,522.01	19,492.01
Purchases of Stock-in-Trade		70.55	1,454.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(888.06)	(80.03)
Excise duty on sale of goods		-	-
Employee benefits expense	28	13,876.44	11,660.71
Research and development expenses	29	1,194.24	1,014.90
Finance cost	30	1,831.43	1,175.06
Depreciation and amortization expense	31	4,052.78	3,729.22
Other expenses	32	15,552.59	14,595.39
<b>Total Expenses</b>		<b>58,211.98</b>	<b>53,041.67</b>
<b>Profit before tax, and share of net profit from associates</b>		<b>12,358.26</b>	<b>9,867.57</b>
Share of profit from associates		214.07	139.88
<b>Profit before tax</b>		<b>12,572.33</b>	<b>10,007.45</b>
Tax expenses:			
(1) Current tax		3,317.28	3,085.58
(2) Deferred tax		(384.10)	293.27
(3) Tax adjustment for earlier years (net)		51.36	88.70
<b>Total tax expenses</b>	33	<b>2,984.54</b>	<b>3,467.55</b>
<b>Profit after tax</b>		<b>9,587.79</b>	<b>6,539.90</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains/(losses) of defined benefit plan		38.19	2.91
Tax impacts on above		(9.61)	(1.02)
<b>Other comprehensive income for the year (net of tax)</b>		<b>28.58</b>	<b>1.89</b>
<b>Total comprehensive income for the year</b>		<b>9,616.37</b>	<b>6,541.79</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the parent		9,587.79	6,539.90
Non-controlling interests		-	-
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		9,616.37	6,541.79
Non-controlling interests		-	-
<b>Earnings per equity share: (Face value ₹ 5 each) in rupees</b>	40		
Basic		10.86	7.41
Diluted		10.86	7.41
Significant accounting policies	a-aa		
The accompanying notes are integral part of the consolidated financial statements	1 - 49		

As per our report of even date annexed

**For M C Bhandari & Co. (Reg No.303002E)**

Chartered Accountants

Rabindra Bhandari

Partner

Membership No. 097466

**For and on behalf of the Board of Directors**
 Himanshu Baid  
 Managing Director  
 DIN: 00014008

 Rishi Baid  
 Joint Managing Director  
 DIN: 00048585

 Place : New Delhi  
 Date : 05.06.2020

 J.K.Oswal  
 CFO

 Avinash Chandra  
 Company Secretary

**Poly Medicure Limited**  
**Consolidated Statement of Cash Flow for the year ended 30 March 2020**

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	<b>12,358.26</b>	<b>9,867.57</b>
<b>Adjusted for:</b>		
Depreciation and amortisation	4,052.78	3,729.22
Share in Income of Associates	214.07	139.88
Interest expense	1,831.43	1,175.06
Interest income	(484.05)	(349.47)
Dividend/ Governing Council Share	(15.61)	(155.31)
Loss/(profit) on sale of fixed assets, net	(13.04)	(78.40)
Debts/advances written off	30.73	56.46
Provision for doubtful debts and advances	29.34	-
Credit balances no longer required, written back	(53.79)	(153.58)
Deferred employee compensation expenses (net)	13.89	18.69
Unrealised foreign exchange (gain) /loss	(407.66)	251.12
Other Comprehensive Income	38.19	2.91
Write off of Non-Controlling Interest		0.26
Ind As Adjustment for Unrealised Gain on Mutual Fund	(64.40)	(16.70)
Ind As Adjustment on Govt. Grant & Subsidy	(64.65)	(80.55)
Ind As Adjustment for Interest Income on Financial Assets	(3.82)	(3.43)
Ind As Adjustment on Forward Contracts (Net)	334.68	(157.08)
Ind As Adjustment for Deferred Processing fees	27.68	15.34
Ind As Adjustment for Interest on Security Deposit against Rent	3.88	3.88
Other adjustments including minority	23.25	24.26
<b>Operating profit before working capital changes</b>	<b>17,851.16</b>	<b>14,290.13</b>
<b>Movement in working capital</b>		
Decrease/(increase) in inventories	(2,830.40)	(1,080.19)
Decrease/ (increase) in sundry debtors	589.96	(1,915.41)
Decrease/(Increase) in financial assets	(416.40)	(208.13)
Decrease/(Increase) in other assets	(398.41)	809.03
Increase/ (decrease) in trade payables	1,020.22	1,368.82
Increase/ (decrease) in other financial liabilities	(27.86)	(12.19)
Increase/ (decrease) in other liabilities	780.74	64.29
Increase/ (decrease) in provisions	74.96	104.36
<b>Cash generated from operations</b>	<b>16,643.98</b>	<b>13,420.70</b>
Direct taxes paid (net of refunds)	(3,593.48)	(2,772.47)
<b>Net cash from operating activities</b>	<b>13,050.50</b>	<b>10,648.23</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital advances)	(10,602.16)	(7,799.72)
Purchase of Investments (net)	(1,720.09)	1,003.28
Proceeds from / (Investment in) Fixed Deposits (net)	818.25	(3,829.71)
Proceeds from sale of fixed assets	34.04	241.07
Dividend Income	37.78	117.53
Interest income	486.33	193.93
<b>Net cash used for investing activities</b>	<b>(10,945.85)</b>	<b>(10,073.63)</b>

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings / deferred payment liabilities (net)	3,329.48	2,824.13
Proceeds from Share Allotments	5.03	5.03
Repayment of Lease Liabilities (including interest)	(136.11)	-
Dividend and tax thereon Paid	(4,247.46)	(2,119.25)
Interest / Finance charges paid	(1,001.61)	(1,222.82)
<b>Net cash from (used for) financing activities</b>	<b>(2,050.67)</b>	<b>(512.92)</b>
Net increase in cash and cash equivalents (A+B+C)	<b>53.98</b>	<b>61.68</b>
Cash and cash equivalents at the beginning of the year	<b>431.76</b>	<b>370.08</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>485.74</b>	<b>431.76</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Balances with Banks in current account	407.62	417.42
Cheques, drafts on hand	-	0.29
Cash on hand (including foreign currency notes)	20.74	13.91
Fixed deposits with banks, having original maturity of three months or less	57.38	0.14
<b>Cash and cash equivalents at the end of the year</b>	<b>485.74</b>	<b>431.76</b>

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash and cash equivalents at the end of the year as per above</b>	<b>485.74</b>	<b>431.76</b>
Add: Balance with banks in dividend / unclaimed dividend accounts	30.55	22.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	2,019.23	5,005.05
Add: Fixed deposits with banks (lien marked)	1,553.05	791.78
Add: Fixed deposits with banks, having maturity period for more than twelve months	1,592.41	194.11
<b>Cash and bank balances as per balance sheet (refer note 7, 11 and 12)</b>	<b>5,680.98</b>	<b>6,445.25</b>

## DISCLOSURE AS REQUIRED BY IND AS 7

## Reconciliation of liabilities arising from financing activities

31 March, 2020	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	<b>6,934.31</b>	1,974.83	263.02	<b>9,172.16</b>
Long term secured borrowing	<b>9,137.97</b>	1,354.65	564.79	<b>11,057.41</b>
<b>Total liabilities from financing activities</b>	<b>16,072.28</b>	<b>3,329.48</b>	<b>827.81</b>	<b>20,229.57</b>
March 31, 2019	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	<b>5,374.77</b>	1,583.09	(23.55)	<b>6,934.31</b>
Long term secured borrowing	<b>7,911.58</b>	1,241.03	(14.64)	<b>9,137.97</b>
<b>Total liabilities from financing activities</b>	<b>13,286.35</b>	<b>2,824.12</b>	<b>(38.19)</b>	<b>16,072.28</b>

## Notes:

This is the Cash Flow Statement referred to in our report of even date.

The above Consolidated cash Flow statement should be read in conjunction with the accompanying notes

As per our report of even date annexed

**For M C Bhandari & Co. (Reg No.303002E)**

Chartered Accountants

Rabindra Bhandari

Partner

Membership No. 097466

**For and on behalf of the Board of Directors**

Himanshu Baid

Managing Director

DIN: 00014008

Rishi Baid

Joint Managing Director

DIN: 00048585

Place : New Delhi

Date : 05.06.2020

J.K.Oswal

CFO

Avinash Chandra

Company Secretary

**Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2020**

**A. Equity share capital**

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
At the beginning of the year	4,411.85	4,411.34
Changes in equity share capital during the year	0.50	0.50
<b>At the end of the year</b>	<b>4,412.35</b>	<b>4,411.85</b>

**B. Other equity**

(₹ in Lacs)

Particulars	Reserves and surplus								Other comprehensive income	Total
	Capital Reserve	Capital reserve on change in interest in equity of associates	Securities Premium	Share Based Payment Reserve Account	Foreign currency fluctuation reserve	General Reserve	Retained Earnings	Share in reserve in associates		
<b>Balance as at 1 April 2018</b>	<b>46.98</b>	<b>177.37</b>	-	<b>41.61</b>	<b>453.96</b>	<b>13,634.83</b>	<b>14,970.51</b>	<b>79.86</b>	<b>13.34</b>	<b>29,418.46</b>
Profit for the year							6,539.90			6,539.90
Received during the year		34.67							1.89	34.67
Other comprehensive income (net of taxes)							(0.09)			1.89
Addition in opening balance on account of subsidiary										(0.09)
Transfer from retained earnings to General reserve				(11.46)		2,500.00	(2,500.00)			-
Addition on account of employees stock option granted										
Final Dividend and tax thereon, declared and paid during the year							(2,127.25)			(11.46)
Dividend from associate adjusted		71.14					(155.31)	(53.54)		(155.31)
Addition during the year					6.75					24.35
<b>Balance as at 31 March 2019</b>	<b>46.98</b>	<b>248.51</b>	<b>34.67</b>	<b>30.15</b>	<b>460.71</b>	<b>16,134.83</b>	<b>16,727.76</b>	<b>26.32</b>	<b>15.23</b>	<b>33,725.16</b>
<b>Balance as at 1 April 2019</b>	<b>46.98</b>	<b>248.51</b>	<b>34.67</b>	<b>30.15</b>	<b>460.71</b>	<b>16,134.83</b>	<b>16,727.76</b>	<b>26.32</b>	<b>15.23</b>	<b>33,725.16</b>
"Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)"							(79.86)			(79.86)
<b>Restated Balance as at 1 April 2019</b>	<b>46.98</b>	<b>248.51</b>	<b>34.67</b>	<b>30.15</b>	<b>460.71</b>	<b>16,134.83</b>	<b>16,647.90</b>	<b>26.32</b>	<b>15.23</b>	<b>33,645.30</b>
Profit for the year	(0)		34.67				9,587.79			9,587.79
Received during the year							18.75		28.59	34.67
Other comprehensive income (net of taxes)						2500	(2,500.00)			28.59
Addition in opening balance on account of subsidiary										18.75
Transfer from retained earnings to General reserve										-
Transfer from retained earnings to Capital Reserve				(16.26)						-
Addition (deletion) during the year (Net of lapses)										(16.26)
Final Dividend / Dividend tax adjusted							(2,127.73)			(2,127.73)
Interim dividend and tax thereon, declared and paid during the year							(2,127.73)			(2,127.73)
Dividend from associate adjusted		161.26								-
Addition during the year					(149.09)			14.49		26.66
<b>Balance as at 31 March 2020</b>	<b>46.98</b>	<b>409.77</b>	<b>69.34</b>	<b>13.89</b>	<b>311.62</b>	<b>18,634.83</b>	<b>19,498.98</b>	<b>40.81</b>	<b>43.82</b>	<b>39,070.03</b>

Note:

General Reserve has been created by transfer out of profit generated by the company and is available for distribution to shareholders.

## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Gross Carrying Value as on 01.04.2018	1,588.78	862.18	5,467.51	31,131.25	411.70	629.27	980.36	41,071.05	786.37	1,190.90	1,977.27	43,048.32
Gross Carrying Value of new Foreign Subsidiary (as consolidated)	-	-	-	379.82	81.59	224.73	-	686.14	-	3.79	3.79	689.93
<b>Total</b>	<b>1,588.78</b>	<b>862.18</b>	<b>5,467.51</b>	<b>31,511.07</b>	<b>493.29</b>	<b>854.00</b>	<b>980.36</b>	<b>41,757.19</b>	<b>786.37</b>	<b>1,194.69</b>	<b>1,981.06</b>	<b>43,738.26</b>
Additions during the year	1.96	-	555.98	4,003.85	50.73	112.39	161.06	4,885.97	34.82	184.36	219.18	5,105.15
Deductions/Adjustments	-	-	5.94	670.78	-	1.13	240.51	918.36	-	-	-	918.36
Gross Carrying Value as on 31.03.2019	1,590.74	862.18	6,017.55	34,844.14	544.02	965.26	900.91	45,724.80	821.19	1,379.05	2,200.24	47,925.04
Accumulated Depreciation as on 01.04.2018	-	50.49	961.15	14,085.91	227.01	422.06	460.10	16,206.72	284.30	377.94	662.24	16,868.96
Accumulated Depreciation of new Foreign Subsidiary (as consolidated)	-	-	-	350.84	73.39	181.96	-	606.19	-	-	-	606.19
<b>Total</b>	<b>-</b>	<b>50.49</b>	<b>961.15</b>	<b>14,436.76</b>	<b>300.40</b>	<b>604.02</b>	<b>460.10</b>	<b>16,812.92</b>	<b>284.30</b>	<b>377.94</b>	<b>662.24</b>	<b>17,475.16</b>
Depreciation for the year	-	9.28	185.67	3,104.58	34.32	89.46	112.55	3,535.86	84.62	102.74	187.36	3,723.22
Deductions/Adjustments	-	-	2.02	486.21	-	0.95	200.22	689.40	-	-	-	689.40
<b>Accumulated Depreciation as on 31.03.2019</b>	<b>-</b>	<b>59.77</b>	<b>1,144.80</b>	<b>17,055.13</b>	<b>334.72</b>	<b>692.53</b>	<b>372.43</b>	<b>19,659.38</b>	<b>368.92</b>	<b>480.68</b>	<b>849.60</b>	<b>20,508.98</b>
<b>Carrying Value as on 31.03.2019</b>	<b>1,590.74</b>	<b>802.41</b>	<b>4,872.75</b>	<b>17,789.01</b>	<b>209.30</b>	<b>272.72</b>	<b>528.48</b>	<b>26,065.42</b>	<b>452.27</b>	<b>898.36</b>	<b>1,350.64</b>	<b>27,416.06</b>
Gross Carrying Value as on 01.04.2019	1,590.74	862.18	6,017.55	34,844.14	544.02	965.26	900.91	45,724.80	821.19	1,379.05	2,200.24	47,925.04
Additions during the year	1,448.50	-	1,061.86	6,124.37	43.61	116.32	148.73	8,943.39	121.89	280.28	402.16	9,345.55
Deductions/Adjustments	-	-	(7.67)	330.25	-	33.55	73.77	429.90	16.66	-	16.66	446.56
<b>Gross Carrying Value as on 31.03.2020</b>	<b>3,039.24</b>	<b>862.18</b>	<b>7,087.08</b>	<b>40,638.26</b>	<b>587.63</b>	<b>1,048.03</b>	<b>975.87</b>	<b>54,238.29</b>	<b>926.42</b>	<b>1,659.33</b>	<b>2,585.75</b>	<b>56,824.04</b>
Accumulated Depreciation as on 01.04.2019	-	59.77	1,144.80	17,055.13	334.72	692.53	372.43	19,659.38	368.92	480.68	849.60	20,508.98
Depreciation for the year	-	9.28	217.52	3,266.93	38.25	94.80	114.89	3,741.68	91.62	120.52	212.14	3,953.82
Deductions/Adjustments	-	-	(2.97)	311.49	-	33.32	62.01	403.85	16.48	-	16.48	420.33
<b>Accumulated Depreciation as on 31.03.2020</b>	<b>-</b>	<b>69.05</b>	<b>1,365.29</b>	<b>20,010.57</b>	<b>372.97</b>	<b>754.01</b>	<b>425.31</b>	<b>22,997.21</b>	<b>444.06</b>	<b>601.20</b>	<b>1,045.26</b>	<b>24,042.47</b>
<b>Carrying Value as on 31.03.2020</b>	<b>3,039.24</b>	<b>793.13</b>	<b>5,721.79</b>	<b>20,627.69</b>	<b>214.66</b>	<b>294.02</b>	<b>550.56</b>	<b>31,241.08</b>	<b>482.36</b>	<b>1,058.13</b>	<b>1,540.49</b>	<b>32,781.57</b>

2.1 Borrowing cost of ₹ 5.97 lacs (previous year Nil) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the year subsequent to 31st March 2020 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2021	180.83
2022	171.72
2023	168.72
Thereafter	1,019.21

2.3 Right of Use Asset

(₹ in Lacs)

Balance as at 1 <sup>st</sup> April 2019	402.22
Depreciation for the year	92.82
Closing balance as 31st March 2020	309.40

### 3. Notes on consolidated Financial Statement for the Year ended 31 March, 2020

(₹ in Lacs)

INVESTMENT PROPERTIES	Year ended 31 March 2020	Year ended 31 March 2019
Gross balance at beginning	372.74	363.65
Additions during the year	-	9.09
Disposals / Deductions	-	-
Depreciation for the year	6.15	6.00
Accumulated Depreciation	(26.83)	(20.67)
<b>Net balance at the end of reporting period</b>	<b>345.91</b>	<b>352.07</b>
Fair Value	331.34	341.51
<b>Amount recognised in Statement of Profit &amp; Loss for Investment Properties</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
<b>Rental Income</b>	<b>9.18</b>	<b>8.91</b>

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

**Note 1:** The investment properties consist of residential properties in india and have been categorised as investment properties based on nature of its uses. There has been no change in the valuation method adopted.

**Note 2:** The fair value of Investment properties has been determined on the basis of available circle rates of the property of the concerned registration authority and has been categorised in level 3 fair value.

**Note 3:** The conveyance deed of one (PY two) Investment properties valued at Rs. 160.22 Lacs (PY Rs. 241.17 Lacs) are yet to be executed in favor of the company.

### 4. INVESTMENT ASSOCIATES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(valued at cost unless stated otherwise)				
<b>Unquoted equity instruments - fully paid</b>				
<b>Investment in associates</b>				
96,600 (previous Year 73,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	723.47	503.38	-	-
<b>Total</b>	<b>723.47</b>	<b>503.38</b>	<b>-</b>	<b>-</b>

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Aggregate amount of Unquoted Investment	723.47	503.38	-	-
Aggregate provision for diminution in the value of Investment	-	-	-	-
<b>Category wise summary:</b>	<b>723.47</b>	<b>503.38</b>		
Financial assets measured at amortised cost (net of provision)			-	-
Financial assets measured at fair value through profit and loss	-	-	-	-

## 5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Investment carried at fair value through profit and loss</b>				
<b>Unquoted</b>				
<b>In Fixed Maturity Plans</b>				
UTI FITF Series XXVII - II (1161 DAYS)	222.99	224.04	-	-
<b>In Liquid Mutual Funds</b>	-	-		
HDFC Corporate Debt Opportunities Fund	-	-	-	-
ICICI Prudential Regular Saving Fund -	-	-	-	-
SBI Corporate Bond Fund - Reg - Gr	-	-	-	-
Birla Sun Life Corporate Bond Fund-GR.R	-	-	-	-
Kotak Income Opp.Fund-Growth Regular PI	-	-	-	-
ICICI Prudential Balance Advantage Fund	-	-	23.15	26.76
UTI Income Opportunities Fund- Growth P	-	-	-	-
HDFC Medium Term Debt Fund-Regular Plan	-	-	1,049.03	-
Kotak Low Duration Fund Standard Growth	-	-	260.75	-
Franklin India Savings Fund Retail Option	-	-	259.28	-
<b>Total</b>	<b>222.99</b>	<b>224.04</b>	<b>1,592.21</b>	<b>26.76</b>
<b>Aggregate amount of Unquoted Investment</b>	<b>222.99</b>	<b>224.04</b>	<b>1,592.21</b>	<b>26.76</b>
Aggregate provision for diminution in the value of Investment	-	-	-	-
<b>Category wise summary:</b>				
Financial assets measured at cost (net of provision)	-	-	-	-
Financial assets measured at fair value through profit and loss	222.99	224.04	1,592.21	26.76

- 5.1 Investments made by the company other than those with a maturity of less than one year, are intended to be held for long term.
- 5.2 In absence of the active market and non-availability of quotes on recognised stock exchange, investment in fixed maturity plan and liquid mutual funds are disclosed as unquoted and fair value is assessed based on NAV of respective funds.

## 6. LOANS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Considered good- Unsecured:</b>				
Loans and advances to employees	-	-	13.71	22.14
Others	-	-	-	0.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13.71</b>	<b>22.78</b>

## 7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
<b>Security Deposits</b>				
Considered good	247.46	113.12	117.78	151.43
Considered doubtful	-	-	8.68	9.78
Less: Provision for doubtful deposits	-	-	(8.68)	(9.78)
Interest accrued on bank deposits / Advances #	104.39	25.53	107.99	189.13
Dividend / Governing council share from associates	-	-	45.46	37.78
Gain on outstanding forward contracts receivable	-	-	-	112.07
Other receivable ##	-	-	132.59	51.05
Non-current bank balances (refer note 12)	3,145.46	985.89	-	-
<b>Total</b>	<b>3,497.31</b>	<b>1,124.54</b>	<b>403.81</b>	<b>541.46</b>

# Includes ₹ 2.33 lacs (₹ 2.33 lacs) paid under protest for enhanced cost of land, contested in hon'ble Punjab and Haryana High Court.

### 7.1 Movement in the provision for doubtful debts

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	9.78	12.82
Movement in the amount of provision (Net)	(1.10)	(3.04)
Balance at the end of the year	8.68	9.78

## 8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
<b>Capital Advances</b>				
Considered Good	1,692.39	761.53	-	-
Considered Doubtful	97.50	77.08	-	-
Less: Provision for doubtful advances	(97.50)	(77.08)	-	-
<b>Other loans and advances</b>				
Advance for goods / services			664.72	369.81
Considered Good	-	-	-	-
Considered Doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
Balance with revenue authorities	-	-	1,602.58	773.58
Advance tax/ tax deducted at source (net of provision)	14.27	7.13	-	-
Prepaid Expenses	37.66	39.41	333.59	125.38
GST, Excise Duty, Service tax, VAT and other refundable	-	-	109.10	566.36
Export benefits receivable	-	-	602.36	1,064.22
<b>Total</b>	<b>1,744.32</b>	<b>808.07</b>	<b>3,312.35</b>	<b>2,899.35</b>

### 8.1 Movement in provision for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	77.08	84.79
Movement in amount of provision (Net)	20.42	(7.71)
Written off of provisions	-	-
Balance at the end of the year	97.50	77.08

## 9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	5,277.91	3,406.22
Goods-in transit	744.23	819.35
Work-in-progress	2,486.90	2,529.07
Finished Goods	1,960.81	1,135.94
Stock-in-trade	176.78	71.42
Stores and spares	562.86	417.09
<b>Total</b>	<b>11,209.49</b>	<b>8,379.09</b>

## 10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good- Unsecured	12,711.71	12,838.26
Credit Impaired	30.58	29.84
Less: Credit Impaired	(30.58)	(29.84)
<b>Total</b>	<b>12,711.71</b>	<b>12,838.26</b>

(₹ in Lacs)

Particulars	Outstanding As at end of		Maximum balance outstanding during the period ended	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	26.96	71.05	553.73	805.78
Due from Ultra For Medical Products (UMIC), being associate company	495.29	623.61	850.09	738.37

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	29.84	33.64
Addition/(Deletion)	10.02	(3.80)
Written off out of Provision	-9.28	
Balance at the end of the year	30.58	29.84

The concentration of credit risk is limited due to large and unrelated customer base.

## 11. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with Banks		
In current accounts	406.62	417.42
In deposit accounts, with less than 3 months maturity period	57.38	0.14
Cash in hand (including foreign currency notes)	20.74	13.91
Cheque in hand	1.00	0.29
<b>Total</b>	<b>485.74</b>	<b>431.76</b>

There are no repatriation restrictions with regard to cash & cash equivalents as at the end of reporting period and prior periods.

## 12. OTHER BANK BALANCES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Unclaimed dividend accounts	-	-	30.55	22.55
Held as margin money	1,553.05	791.78	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	2,019.23	5,005.05
Deposits with more than 12 months maturity period	1,592.41	194.11	-	-
Amount disclosed under the head "other Non Current Financial Assets" (Refer note 7)	(3,145.46)	(985.89)	-	-
<b>Total</b>	-	-	<b>2,049.78</b>	<b>5,027.60</b>

## 13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
<b>Authorised share Capital</b>				
Equity Shares of ₹ 5 each	12,00,00,000	6,000.00	12,00,00,000	6,000.00
<b>Issued, subscribed &amp; paid up shares</b>				
Equity Shares of ₹ 5 each fully paid up	8,82,46,980	4,412.35	8,82,36,930	4,411.85
<b>Total</b>	<b>8,82,46,980</b>	<b>4,412.35</b>	<b>8,82,36,930</b>	<b>4,411.85</b>

### 13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	8,82,36,930	4,411.85	8,82,26,880	4,411.34
Add: Issued during the year by way of ESOP	10,050	0.50	10,050	0.51
Outstanding at the end of year	<b>8,82,46,980</b>	<b>4,412.35</b>	<b>8,82,36,930</b>	<b>4,411.85</b>

### 13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (₹ 5). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**13.3 Details of shareholders' holding more than 5% shares in the company**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Share of ₹ 5 each (Previous Year ₹ 5 each)</b>				
M/s Ezekiel Global Business Solutions LLP	1,23,61,320	14.01%	1,23,61,320	14.01%
Mr. Rishi Baid	99,93,048	11.33%	99,93,048	11.33%
M/s Zetta Matrix Consulting LLP	83,19,660	9.43%	83,19,660	9.43%
Mr. Himanshu Baid	79,07,624	8.96%	79,07,624	8.96%

The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding, as at the balance sheet date. As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**13.4** During the year ended 31<sup>st</sup> March 2020 the company have paid following Final / Interim dividend:

S.No.	Nature of Dividend	Date of declaration	Amount of Dividend	Dividend tax thereon
1.	Final Dividend	23rd Sept 2019	1764.94	362.79
2.	Interim Dividend	18th Feb 2020	1764.94	362.79

**13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year**

The Company had allotted 11012500 fully paid-up equity shares of face value ₹ 10 each during the financial year ended 31<sup>st</sup> March 2014, pursuant to bonus issue approved by the shareholders through postal ballot.

The Company had allotted 44113440 fully paid-up equity shares of face value ₹ 5 each during the financial year ended 31<sup>st</sup> March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

**14 OTHER EQUITY**

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Capital Reserves</b>		
Surplus on re-issue of forfeited shares	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
<b>Closing Balance</b>	<b>46.98</b>	<b>46.98</b>
<b>Capital reserve on change in interest in equity of associates</b>	<b>409.77</b>	<b>248.51</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	34.67	-
Addition during the year	34.67	34.67
<b>Closing Balance</b>	<b>69.34</b>	<b>34.67</b>
<b>Share Based Payment Reserve Account</b>		
Balance at the beginning of the year	30.15	41.61
Addition (deletion) during the year (Net of lapses)	(16.26)	(11.46)
<b>Closing Balance</b>	<b>13.89</b>	<b>30.15</b>

<b>General Reserve</b>		
Balance at the beginning of the year	16,134.83	13,634.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
<b>Closing Balance</b>	<b>18,634.83</b>	<b>16,134.83</b>
<b>Foreign Currency fluctuation Reserve</b>	<b>311.62</b>	<b>460.71</b>
<b>Surplus in statement of Profit and Loss</b>		
Balance at the beginning of the year	16,727.76	14,970.51
Add: Addition in opening balance on account of subsidiary	18.75	(0.09)
Less: Adjustment on account of initial adoption of Ind AS 116 ( Net of deferred tax of Rs.42.89 lacs) Refer Note no 38	(79.86)	-
Add: Additions during the year	9,587.79	6,539.90
Less: Dividend adjusted for previous year	(1,764.94)	(1,764.54)
Less: Dividend tax adjusted for previous year	(362.79)	(362.71)
Less: Interim Dividend	(1,764.94)	
Less: Interim Dividend tax	(362.79)	
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Less: Dividend from associate adjusted	-	(155.31)
<b>Closing Balance</b>	<b>19,498.98</b>	<b>16,727.76</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the year	15.23	13.34
Add: Addition during the year	28.58	1.89
Closing Balance	43.82	15.23
Shares in reserves in associates	40.81	26.32
<b>Grand Total</b>	<b>39,070.03</b>	<b>33,725.16</b>

## 15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Secured - At Amortised Cost</b>				
(i) Term loans from banks	10,853.17	9,117.61	3,283.27	2,333.82
(ii) Others - Vehicle Loan from banks	2.68	20.36	17.68	16.11
from others	-	-	-	36.91
(iii) Deferred payment liabilities	201.56	-	169.98	-
(v) Equipment Financing	-	-	-	-
other current financial liabilities	-	-	3,470.93	2,386.84
<b>Total</b>	<b>11,057.41</b>	<b>9,137.97</b>	<b>-</b>	<b>-</b>

### 15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>From Bank</b>				
Rupee Loan #	1,302.94	5,015.64	1,038.05	1,034.70
Foreign Currency Loan##	9,550.23	4,101.97	2,245.22	1,299.12

# net off of Rs.2.71 (PY 6.67 lacs) as finance charge.

## net off of Rs.76.74 Lacs (PY 27.88) as finance charge.

### 15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.03.2020	Annual repayment schedule			
				2020-21	2021-22	2022-23	2023-24 & 2024-25
Rupee Loan #	8.43%	Qtr / Mon	2,340.99	1,038.05	902.94	400.00	-
Foreign Currency Loan ##	1.88%	Qtr	11,514.47	2,206.54	3,339.85	2,926.70	3,041.38
Buyers credit	0.45%	Monthly	360.43	72.09	-	288.34	-
Others - Vehicle Loan	9.35%	Monthly	20.36	17.68	2.68	-	-

# includes Rs.2.71 lacs (PY 6.67 lacs) as prepaid finance charge

## includes Rs.76.74 lacs (PY 27.88 Lacs) as prepaid finance charge

### 15.3 Details of Security:

- Term Loans from State Bank of India are secured by first charge on entire fixed assets / plant & machinery of the company (present & future) and equitable mortgage of factory land & buildings (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on entire current assets of the company.
- Term loan from Citi Bank N.A. is secured by first charge on immovable property and movable fixed assets located at plot No. 80 and 81, Sector 59, Faridabad (Haryana) and second pari passu charge on entire current assets of the company.
- Term loan from The Hongkong and Shanghai Banking Corporation Limited is secured by first charge on entire fixed assets including plant & machinery and equitable mortgage of land and building located at plot no. 34, Sector 68, IMT Faridabad (Haryana) and second pari passu charge on entire current assets of the company.
- Foreign Currency Loan (ECB) from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company, including land, building and all other fixed assets i.e. Plant & Machinery, Office Equipment and Furniture & Fixtures (Present & Future), (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on stock and receivables of the company.

Foreign Currency Loan outstanding (ECB of Rs. 5416 lacs) from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company, including land, building and all other fixed i.e. Plant & Machinery, Office Equipment and Furniture & Fixtures (Present & Future), (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana) and Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan) and second pari passu charge on stock and receivables of the Company.

- Vehicle Loans are secured by hypothecation / lien of the respective vehicles.
- Deferred payment liabilities represents assets acquired on deferred credit terms.

## 16. OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lacs)	
	As at 31 March 2020	As at 31 March 2019
Security Deposits from Agents / Others	76.39	387.60
Deferred interest on deferred payment liability	26.96	
<b>Total</b>	<b>103.35</b>	<b>387.60</b>

## 17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Provision for employee benefits</b>				
Gratuity	147.40	142.26	23.92	21.77
Leave Encashment	143.67	106.06	18.05	12.65
Others	89.41	64.75	-	-
<b>Total</b>	<b>380.48</b>	<b>313.07</b>	<b>41.97</b>	<b>34.42</b>

## 18. DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in Lacs)

Particulars	As at 31 March, 2020							
	Balance as at April 1 2019	Transitional IND AS 116 impact	Restated Balance as at April 1 2019 "	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,998.02	-	1,998.02	(295.45)	-	1,702.57	1,702.57	-
Provision for defined benefit plan - P&L	(55.12)	-	(55.12)	(28.71)	-	(83.83)	-	(83.83)
Provision for defined benefit plan - OCI	8.08	-	8.08	-	9.61	17.69	17.69	-
Provision for Bonus	(43.89)	-	(43.89)	9.61	-	(34.28)	-	(34.28)
Provision for doubtful debts and advances	(40.78)	-	(40.78)	6.36	-	(34.42)	-	(34.42)
Exchange difference impact under Sec 43A of income tax act.	-	-	-	(87.87)	-	(87.87)	-	(87.87)
IND AS 116	-	(42.89)	(42.89)	11.95	-	(30.95)	-	(30.95)
<b>Deferred Tax (Assets) / Liabilities</b>	<b>1,866.31</b>	<b>(42.89)</b>	<b>1,823.41</b>	<b>(384.11)</b>	<b>9.61</b>	<b>1,448.92</b>	<b>1,720.26</b>	<b>(271.34)</b>

Particulars	As at 31 March, 2019						
	Balance as at April 1 2018	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets	
Property, plant and equipment and intangible assets	1,700.88	297.14	-	1,998.02	1,998.02	-	
Provision for defined benefit plan - P&L	(44.84)	(10.28)	-	(55.12)	-	(55.12)	
Provision for defined benefit plan - OCI	7.06	-	1.02	8.08	8.08	-	
Provision for Bonus	(45.22)	1.33	-	(43.89)	-	(43.89)	
Provision for doubtful debts and advances	(45.86)	5.09	-	(40.78)	-	(40.78)	
<b>Deferred Tax (Assets) / Liabilities</b>	<b>1,572.02</b>	<b>293.28</b>	<b>1.02</b>	<b>1,866.31</b>	<b>2,006.11</b>	<b>(139.79)</b>	

### 18.1 Movement on the deferred tax account is as follows:

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,866.31	1,572.01
Transitional IND AS 116 impact	(42.89)	-
<b>Restated Balance as at April 1 2019</b>	<b>1,823.42</b>	
(Credit)/ Charge to the statement of profit and loss	(384.10)	293.28
(Credit)/ Charge to other comprehensive income	9.61	1.02
<b>Balance at the end of the year</b>	<b>1,448.92</b>	<b>1,866.31</b>

## 19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Secured - from banks</b>		
Cash / Export Credit Loan	5,436.35	4,547.48
<b>Borrowing Others(Unsecured)</b>	<b>264.88</b>	-
<b>Total</b>	<b>5,701.23</b>	<b>4,547.48</b>

Working Capital limits from State Bank of India, Citi Bank N.A., The Hongkong & Shanghai Banking Corporation Limited and HDFC Bank Limited are secured by way of first pari-passu charge on entire current assets of the Company (present & future), including stocks of raw materials, stock in process, finished goods, stores & spares lying at factories, godowns or elsewhere (including goods in transit) and book debts / receivables and further secured by second pari-passu charge on entire residual fixed assets of the company.

## 20. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises:	861.95	171.97
Total outstanding dues of trade payables and acceptances other than above	5,774.11	5,381.84
	<b>6,636.06</b>	<b>5,553.81</b>

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
a the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
- Principal Amount	861.95	171.97
- Interest due	-	-
b the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## 21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer note no. 15)	3,470.93	2,386.83
Interest accrued but not due on borrowings	6.21	6.40
Interest accrued and due on borrowings / Security deposits	25.79	39.41
Unpaid dividends	30.55	22.55
<b>Other payables</b>	-	-
Employees related liabilities	1,498.89	1,489.27
Liability on account of outstanding forward contracts	227.61	-
Payables for capital goods	178.58	71.90
Dividend Payable	-	-
Others (includes deferred interest of Rs. 11.11 lacs on deferred payment liability)	59.66	40.50
<b>Total</b>	<b>5,498.22</b>	<b>4,056.85</b>

There are no outstanding dues to be paid to Investor Education and Protection Fund.

## 22. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	975.06	341.73
Other payables	-	-
Statutory dues	553.91	448.33
Others	93.63	51.80
<b>Total</b>	<b>1,622.60</b>	<b>841.85</b>

## 23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Tax (Net of Prepaid Tax of Rs.3,221.62 Lacs) (PY Rs.2765.02 lacs)	107.04	324.74
<b>Total</b>	<b>107.04</b>	<b>324.74</b>

## 24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2020	Year ended March 31, 2019
Sale of products		
Manufactured goods	66,845.31	58,326.49
Traded Goods	80.85	774.40
<b>Other operating revenues</b>		
Export Incentives	1,573.85	1,665.22
Sale of scrap	133.45	157.47
Other operating revenue of foreign subsidiary	90.43	77.61
Others	-	81.34
<b>Total</b>	<b>68,723.90</b>	<b>61,082.53</b>

(₹ in Lacs)

The Company disaggregates revenue based on nature of products/geography	Year ended 31 March, 2020	Year ended March 31, 2019
The revenue disaggregates is as under :		
<b>Revenue based on Geography</b>		
<b>Sales</b>		
Domestic	18,683.89	16,397.89
Export	44,195.29	40,366.18
Sales related to foreign Subsidiaries	4,046.99	2,336.82
<b>Other operating revenue</b>		
Domestic-Export incentives and Scarp	1,707.30	1,822.69
Other operating revenue of foreign subsidiary	90.43	77.61
Development Charges	-	81.34
	<b>68,723.90</b>	<b>61,082.53</b>
<b>Revenue based on Nature of Products</b>		
Medical Devices	66,926.17	59,100.89
Export incentives	1,573.85	1,665.22
Scrap	133.45	157.47
Development Charges & other operating revenue of foreign subsidiary	90.43	158.95
	<b>68,723.90</b>	<b>61,082.53</b>

(₹ in Lacs)

Reconciliation of Revenue	Year ended 31 March, 2020	Year ended March 31, 2019
Gross value of contract price	67,237.69	59,434.08
Less : Variable components i.e., Rebate & discount	311.52	333.19
Other operating revenue	1,797.73	1,981.64
<b>Revenue from operation as recognised in final statement</b>	<b>68,723.90</b>	<b>61,082.53</b>

(₹ in Lacs)

Reconciliation of Advance received from Customers	Year ended 31 March, 2020	Year ended March 31, 2019
Balance at the beginning of the year	341.73	388.59
Less : Revenue recognised out of balance of advance received from customer at beginning of year	261.80	371.11
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	895.13	324.25
<b>Balance at the close of the year</b>	<b>975.06</b>	<b>341.73</b>

The Company have orders in hand as at 31<sup>st</sup> March 2020 for Rs.8375.57 lacs, for which performance obligation amounting to Rs.8375.57 lacs will be recognised as revenue during the next reporting year. The company have evaluated the impact of Covid 19 on position of orders in hand as on 31<sup>st</sup> March 2020 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the financial statement.

## 25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Interest Income</b>		
Interest Income on Fixed and other Deposits	484.05	349.47
Interest Income on Income Tax Refund	-	-
Interest Income from Financial Assets Measured at Amortised Cost	3.82	3.43
Dividend/ Governing Council Share	15.61	155.31
<b>Other non-operating income</b>		
Rental Income from Investment Property	9.18	8.91
Government Grants and Subsidies	64.65	80.55
Income from Mutual Funds	-	25.76
Miscellaneous Income	77.87	276.27
<b>Other Gain</b>		
Provisions / Liabilities no longer required written back (net)	53.79	153.58
Gain on fixed assets sold/discarded	13.04	78.40
Gain on Foreign Exchange Fluctuation (net)	1,059.93	678.33
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	64.40	16.70
<b>Total</b>	<b>1,846.34</b>	<b>1,826.71</b>

## 26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Raw Material Consumed</b>		
Inventory at the beginning of the year	2,778.70	2,844.17
Add: Purchases during the year	19,499.01	15,045.90
Less: Inventory at the end of the year	4,459.36	2,778.70
<b>Cost of raw material consumed (A)</b>	<b>17,818.35</b>	<b>15,111.36</b>
<b>Packing Material Consumed</b>		
Inventory at the beginning of the year	627.52	766.54
Add: Purchases during the year	4,894.69	4,241.62
Less: Inventory at the end of the year	818.55	627.52
<b>Cost of packing material consumed (B)</b>	<b>4,703.66</b>	<b>4,380.65</b>
<b>Total (A+B)</b>	<b>22,522.01</b>	<b>19,492.01</b>

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	(Increase)/ Decrease
<b>Inventories at the end of year</b>			
Finished Goods and Stock in Trade	2,137.59	1,207.36	(930.23)
Work in progress	2,486.90	2,529.07	42.17
	<b>4,624.49</b>	<b>3,736.43</b>	<b>(888.06)</b>
<b>Inventories at the beginning of year</b>			
Finished Goods and Stock in Trade	1,207.36	1,949.40	742.04
Work in progress	2,529.07	1,707.00	(822.07)
	<b>3,736.43</b>	<b>3,656.40</b>	<b>(80.03)</b>

## 28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	12,695.65	10,773.87
Contribution to Provident Fund and others	990.35	738.13
Share based payment to employees	13.89	18.69
Staff Welfare Expenses	176.55	130.02
<b>Total</b>	<b>13,876.44</b>	<b>11,660.71</b>

## 29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue Expenditure charged to statement of profit and loss</b>		
Cost of components and Material Consumed (Net)	740.00	681.80
Employee benefits expenses	349.38	274.94
Power and Fuel	52.65	44.76
Travelling & Conveyance	4.56	3.89
Other Misc Expenses	8.18	9.51
R&D expenditure relating to Foreign subsidiary	39.47	-
<b>Total Revenue Expenses</b>	<b>1,194.24</b>	<b>1,014.90</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>22.30</b>
<b>Total amount spent on Research and Development</b>	<b>1,194.24</b>	<b>1,037.20</b>

### 30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Interest expense</b>		
Interest on loans	910.05	1,171.38
Interest on Income Tax	4.45	7.17
Exchange difference to the extent considered as an adjustment to interest costs	842.34	(21.37)
Interest on Lease Liabilities	43.49	
<b>Others</b>		
Other amortised borrowing costs	31.10	17.88
<b>Total</b>	<b>1,831.43</b>	<b>1,175.06</b>

### 31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of tangible assets	3,741.67	3,535.86
Amortisation of intangible assets	212.14	187.36
Depreciation of investment properties	6.15	6.00
Amortisation of Right of Use	92.82	
	<b>4,052.78</b>	<b>3,729.22</b>

### 32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	1,278.02	1,428.96
Power and Fuel	2,561.84	2,474.46
Job Work Charges	5,493.94	4,804.38
Other Manufacturing Expenses	88.00	109.70
Repairs to Building	74.96	49.57
Repairs to Machinery	85.62	101.33
Repairs to Others	58.06	48.23
Insurance (Net)	273.30	168.20
Operating lease	120.48	228.30
Short term lease	52.06	-
Rates, Taxes & Fee	101.01	130.97
Travelling & Conveyance	1,301.44	1,147.08
Legal & Professional Fees	1,375.95	1,378.99
Auditors' Remuneration	19.02	24.85
Commission and Sitting Fees to Non-Executive Directors	73.25	60.25
Donations	86.13	99.51
Bank Charges	216.32	178.18
Advertisement	18.73	4.62

Commission on sales	479.98	471.67
Freight & Forwarding (Net)	520.23	444.54
Business Promotion	246.57	350.00
Exhibition Expenses	206.32	249.91
Rebate, Discounts & Claims	65.17	67.82
Provision for Doubt ful debts / Advances	29.34	-
Bad debts / Misc. Balances written off Total Amount written off Rs. 40.01 lacs. Less: Rs 9.28 lacs out of provision.	30.73	56.46
CSR Expenditure	237.72	153.83
Communication expense	49.82	57.96
Listing fees	5.40	5.40
Other Miscellaneous Expenses	403.19	300.21
<b>Total</b>	<b>15,552.59</b>	<b>14,595.39</b>

(₹ in Lacs)

<b>Payment to Auditors</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Audit Fee	13.56	13.06
Tax Audit Fee	-	1.25
Limited Review of Results	3.00	3.00
<b>In other capacity</b>		
(a) For certification work	0.39	3.00
(b) For Others	0.11	2.50
Reimbursement of expenses	1.97	2.04
<b>Total</b>	<b>19.02</b>	<b>24.85</b>

### 33. TAX EXPENSES

(₹ in Lacs)

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Tax expenses comprises of:		
Current tax	3,317.28	3,085.58
Earlier year tax adjustment (net)	51.36	88.70
Deferred tax	(384.10)	293.27
<b>Total</b>	<b>2,984.54</b>	<b>3,467.55</b>

<b>Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Profit before tax and share of profit from associates	12,358.26	9,867.57
Applicable tax rate	25.17%	34.94%
<b>Tax at the Indian tax rate of 25.17% (Previous year 34.944%) and special rate Nil (PY -11.648%)</b>	<b>3,110.57</b>	<b>3,442.12</b>
Tax adjustment on account of profit of subsidiary company on consolidation	(0.80)	110.22
Adjustment of expenses disallowed under income tax	347.07	109.80
Adjustment of expenses allowable under income tax	(35.14)	(419.79)
Other allowable deduction	(104.43)	(159.14)
<b>Current Tax (Normal Rate)</b>	<b>3,317.28</b>	<b>3,083.22</b>
Additional Current Tax due to Special Rate	-	2.36
<b>Current Tax (A)</b>	<b>3,317.28</b>	<b>3,085.58</b>
Incremental Deferred tax Liability on timing Differences (Net)	(384.10)	293.27
<b>Deferred Tax (B)</b>	<b>(384.10)</b>	<b>293.27</b>
Tax expenses for earlier year (net)	51.36	88.70
Tax expenses recognised in the statement of profit and loss	2,984.54	3,467.55
Effective tax rate	24.15%	35.14%

The Company has elected to exercise the option permitted under section 115BBA of Income Tax Act, 1961 as introduced by Taxation Laws (Amendments) Ordinance 2019. Accordingly, the company has recognised provision for current tax/deferred tax for the year ended 31<sup>st</sup> March, 2020 and also re-measured its deferred tax liability on the basis of rate as prescribed in the said section.

## POLY MEDICURE LIMITED

### Notes to Consolidated Financial Statements for the year ended 31 March, 2020

#### CORPORATE AND GENERAL INFORMATION

Poly Medicure Limited ("the Company") is domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange(BSE) and National Stock Exchange (NSE). The registered office of the company is situated at 232B, 3<sup>rd</sup> Floor, Okhla Industrial Estate, Phase III, New Delhi, India.

The Company is a manufacturer/producer of Medical Devices.

The consolidated financial statements of the company for the year ended 31<sup>st</sup> March 2020 were approved and authorized for issue by the Board of directors in their meeting held on 5th June 2020.

#### STATEMENT OF COMPLIANCE

The financial statements are a general purpose financial statement which have been prepared in accordance with the Companies Act 2013, Indian Accounting Standards and complies with other requirements of the law.

#### BASIS OF PREPARATION

These financial statements have been prepared complying in all material respects as amended from time to time with the accounting standards notified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules 2015. The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA").

Accounting Policies have been consistently applied except where a newly adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relates to Poly Medicure Limited ('the Company') and its subsidiary

companies (the company and subsidiaries referred to as "Group") and associates. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- ii) Where the cost of the investment is higher/lower than the share of equity in the subsidiary/ associates at the time of acquisition, the resulting difference is disclosed as goodwill/capital reserve in the investment schedule. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for in the consolidated statement of profit and loss.
- iii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.
- iv) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- v) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- vi) Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- vii) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- viii) Investment in Associates has been accounted under the equity method as per Ind AS 28 -Investments in Associates and Joint Ventures.

ix) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Holding as on March 31, 2020	Financial year ends on
<b>Subsidiary</b>			
Poly Medicure (Laiyang) Company Limited, China - Audited	China	100%	31-Mar-20
Polymed BV, Netherlands - Management certified (Consolidated)	Netherlands	100%	31-Mar-20
Plan 1 Health India Pvt Ltd.	India	99.99%	31-Mar-20
<b>Associates</b>			
Ultra For Medical Products Company (Ultra Med), Egypt - Audited	Egypt	23%	31-Dec-19

#### Classification of Assets and Liabilities into Current and Non-Current

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

#### SIGNIFICANT ACCOUNTING POLICIES

##### a Basis of Measurement

The Financial Statements of the company are consistently prepared and presented under historical cost convention on an accrued basis in accordance with IND AS except for certain Financial Assets and Financial Liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees ('INR'), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lacs (except otherwise indicated).

##### b Property, plant and equipment

(i) Property, plant and equipment situated in India are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

##### (ii) Depreciation

Depreciation on Property, plant and equipment is provided on Straight Line Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013.

(iii) Component Accounting

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(iv) Stores and Spares which meets the definition of Property, plant and equipment and satisfying recognition criteria of Ind AS - 16 are capitalised as Property, plant and equipment and until that in capital work in progress.

(v) Lease Hold Assets are amortised over the period of lease.

(vi) Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective property plant and equipment on completion of construction/erection.

(vii) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

(viii) The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ix) Capital work in progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

**c Intangible assets:**

(i) Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis. In respect of patents and trademarks, useful life has been estimated by the management as 10 years unless otherwise stated in the relevant documents and in respect of SAP software as 10 year and other softwares as 3 years.

(ii) Software: Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives (like goodwill, brands), if any, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

(iii) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities & Contingent liabilities of the acquiree. When the net fair value of identifiable assets, liabilities & Contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the capital reserve.

Goodwill is measured at cost less accumulated impairment losses.

“Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying, on number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in business combination is allocated to the Group’s cash generating units (CGU) or groups of CGU’s expected to benefit from the synergies arising from the business combination. A CGU is smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro-rata on the basis of carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the consolidated Statement of Profit and Loss and is not reversed in the subsequent period.”

**d Investment properties:**

Investment properties are properties held either to earn rental income or capital appreciation or for both but not for sale in the ordinary course of business, use in production or supply of goods or services or for other administrative purposes. Investment properties are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation or impairment loss. Depreciation on investment properties are provided over the estimated useful life and is not different than useful life as mentioned in schedule II of the Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The

difference between the net disposal proceeds and the carrying amount of the assets is recognised in profit or loss in the period of derecognised.

Though the company measures investment properties using cost based measurement, the fair value of investment properties is disclosed in the notes. Fair value are determined by using circle rates of the concerned registration authority.

**e Research and development cost:**

Research Cost:

Revenue expenditure on research is expensed under the respective heads of account in the period in which it is incurred and is grouped as “Research and development expenses”.

Development Cost:

Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

**f Inventories:**

Raw materials, Packing materials, Stores and Spares are valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity and depreciation.

Stock in Trade is valued at lower of cost and net realisable value.

Scrap is valued at estimated realisable value.

**g Financial instruments:**

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial

instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

#### **h Financial assets:**

Financial assets include Investments, trade receivables, cash and cash equivalents, derivative financial assets, loans and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

##### **(i) Investment in equity shares:**

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Statement of profit and loss.

##### **(ii) Investment in associates, joint venture and subsidiaries:**

The Company's investment in subsidiaries and associates, joint venture are at carried at cost except where impairment loss recognised.

##### **(iii) Trade receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances/provision for doubtful debts.

##### **(iv) Cash and cash equivalents:**

- Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost.

##### **- Other Bank Balances:**

Unclaimed / Unpaid dividend amount balance, deposit with bank as margin money for guarantees issued by bank, deposit kept as security deposit with statutory authorities are accounted as bank balance other than cash and cash equivalents.

##### **- Cash Flow Statement:**

Cash Flows are reported using indirect method whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of company are segregated.

##### **(v) Loans & other financial assets:**

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

##### **i Impairment of Financial assets:**

In accordance with Ind AS 109, the company uses expected credit loss (ECL) model for evaluating, measurement and recognition of impairment loss.

##### **j Financial liabilities:**

##### **(i) Classification:**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### **(ii) Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**(iii) Subsequent measurement:**

All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

**(iv) Loans and borrowings:**

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

**(v) De-recognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**(vi) Derivative financial instruments:**

The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit or loss on cancellations/renewals of forward contracts and options are recognized as income or expense during the period.

**k Impairment of non-financial assets:**

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable

amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is determined:

- In the case of an individual asset, at the higher of the Fair Value less cost to sell and the value in use,
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of Profit and Loss. Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of Profit and Loss.

**l Foreign exchange transactions:**

- (i) Functional and presentation Currency:  
The functional and reporting currency of company is INR.
- (ii) Transaction and Balances:  
Foreign exchange transactions are accounted for at the exchange rate prevailing on the date of transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at reporting date. All exchange gain or loss arising on translation of monetary items are dealt with in statement of profit and loss.

**m Revenue recognition:**

The company derives revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, the company recognises revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography.

- **Export incentive:**

Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

- **Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

- **Interest income:**

For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

- **Rental income:**

Rental income on investment properties are accounted for on accrual basis.

**n Government Grant**

- Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.
- Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

- Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.
- In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfillment of associated export obligations.

**o Employees Benefits:**

- i) **Short term employee Benefit:**

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

- ii) **Defined Contribution Plan:**

Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

- iii) **Defined Benefit Plan:**

The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in

the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.
- Net interest income or expense.

**iv) Long term Employees Benefits:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

**v) Termination benefits:**

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) when the entity can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

**p Share based payments:**

Equity settled share based payments to employees are measured at fair value of equity instrument at the grant date. The fair value determined at grant date is expensed on straight line basis over the vesting period based on the company's estimate of equity instrument that will eventually vest with corresponding increase

in equity. At the end of each reporting period, the company revise its estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognised in statement of profits and loss such that cumulative expense reflect the revised estimate with a corresponding adjustment to Share based Payments Reserve. The dilutive effect of outstanding option is reflected as additional dilution in computation of diluted earning per share.

**q Borrowing costs:**

- (i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (ii) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
- (iii) All other borrowing costs are recognised as expense in the period in which they are incurred.

**r Leases:**

"The Company has applied IND AS 116 with effect from 1.4.2019. In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismantling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset

is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense over lease term.

**s Taxes on income:**

**(i) Current Tax:**

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments/appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax:**

1. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.
2. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled.
3. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognised directly in equity.

**t Provisions, Contingent liabilities, Contingent assets and Commitments:**

- (i) General:  
The Company recognises provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive

obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in financial statement when an inflow of economic benefits is probable.

Provisions, Contingent liabilities, Contingent assets and Commitments are reviewed at each balance sheet date.

(ii) Other Litigation claims:

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

(iii) Onerous contracts:

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

**u Exceptional Items:**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**v Earnings per share:**

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both

attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**w Segment reporting:**

The operating segment of the company is medical devices and the same have been evaluated on management approach as defined in Ind AS - 108 "Operating Segment". The company accordingly reports its financials under one segment namely "Medical Devices".

**x Financial statement classification:**

Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

**y Fair value measurement:**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**z Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of the Company's financial statements

requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimation of uncertainty related to Global Health Pandemic from COVID-19**

The Group has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Consolidated Financial Statement.

**i Income taxes:**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

**ii Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including book value, Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations

of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii Defined benefit plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In exercising whether the company is reasonably certain to exercise an option to extend a lease or to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease or to exercise the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

v Depreciation/Amortisation and useful life of Property, Plant and Equipment:

The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act, 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

vi Impairment of Financial & Non-Financial Assets:

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Company uses judgements in making these assumptions and selecting inputs for impairment calculations based on existing market conditions, past history, technology, economic developments as well as forward looking estimates at the end of each reporting period.

vii Provisions:

The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

viii Contingencies:

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

ix **Impairment of Goodwill:** Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than the carrying amount, the impairment loss is accounted. For impairment loss, goodwill is allocated to CGU which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purpose. The recoverable amount of CGU is determined based on higher of value in use and fair value less cost to sell and value in use is present value of future cash flows expected to be derived from CGU.

Key assumption in the cash flow projection are prepared based on current economic conditions and comprises estimated long term growth rate, estimated operating margin. (Refer Note No 47)

**aa Capital:**

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

### 34 Fair value measurement

i Financial instruments: Accounting classification and fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Particulars	31-03-2020						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments							
In subsidiaries / Associates	723.47	-	-	723.47	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,711.71	-	-	12,711.71	-	-	-
Cash & cash equivalents	485.74	-	-	485.74	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,901.12	-	-	3,901.12	-	-	-
<b>Total financial assets</b>	<b>21,700.73</b>	<b>1,815.20</b>	-	<b>19,885.53</b>	-	<b>1,815.20</b>	-
<b>Financial liabilities</b>							
Borrowings	16,758.64	-	-	16,758.64	-	-	-
Trade payables	6,636.06	-	-	6,636.06	-	-	-
Lease Liabilities	432.34	-	-	432.34	-	-	-
Other financial liabilities	5,601.57	227.61	-	5,373.96	-	227.61	-
<b>Total financial liabilities</b>	<b>29,428.61</b>	<b>227.61</b>	-	<b>29,201.00</b>	-	<b>227.61</b>	-

(₹ in Lacs)

Particulars	31-03-2019						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments							
In subsidiaries / Associates	503.38	-	-	503.38	-	-	-
In Fixed Maturity Plans	224.04	224.04	-	-	-	224.04	-
In Liquid Mutual Funds	26.76	26.76	-	-	-	26.76	-
Trade receivables	12,838.26	-	-	12,838.26	-	-	-
Cash & cash equivalents	431.76	-	-	431.76	-	-	-
Other bank balances	5,027.60	-	-	5,027.60	-	-	-
Loans	22.78	-	-	22.78	-	-	-
Other financial assets	1,666.00	112.07	-	1,553.93	-	112.07	-
<b>Total financial assets</b>	<b>20,740.56</b>	<b>362.87</b>	-	<b>20,377.71</b>	-	<b>362.87</b>	-
<b>Financial liabilities</b>							
Borrowings	13,685.46	-	-	13,685.46	-	-	-
Trade payables	5,553.81	-	-	5,553.81	-	-	-
Other financial liabilities	4,444.47	-	-	4,444.47	-	-	-
<b>Total financial liabilities</b>	<b>23,683.74</b>	-	-	<b>23,683.74</b>	-	-	-

The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets / liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

The levels have been classified based on the followings:

**Level 1:** It hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

**Level 2:** The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- Close ended mutual funds at NAV's declared by AMFI.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India).
- Derivative Instruments at values determined by counter parties/Banks using market observable data.
- Certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value.

### 35. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>a Contingent liabilities not provided for:</b>		
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88
<b>b Obligations and commitments outstanding:</b>		
Unexpired letters of credit ₹ 1,068.77 lacs (Previous year ₹ 743.67 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,107.96 lacs (Previous year ₹ 7,59.41 lacs) (Net of margins)	2,176.73	1,503.08
Bills discounted but not matured	890.73	1,008.66
Custom duty against import under EPCG Scheme	1,927.70	1,074.52
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	5,612.40	2,295.56

### 36. Financial Risk Management

The Company's activities expose it to price risk, credit risk, liquidity risk and market risk.

This note explains the source of risk which the company is exposed to and how it manages the risk and its impact on the financial statement. These risks are managed by the senior management of the company supervised by the Board of Directors to minimise potential adverse effects on the financial performance of the company.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash & cash equivalent, Financial instruments, Financial assets & Trade Receivable	Credit Rating and ageing analysis	Diversification of counter Parties, setting of trade receivable, review of outstanding / overdues
Liquidity Risk	Other Liabilities	Maturity Analysis	Maintenance of Sufficient cash and cash Equivalent, Fixed Deposit & other marketable securities
Market Risk-Foreign exchange	Highly probable forecast transactions	Sensitivity analysis	Forward Foreign Exchange Contracts

The Board of Directors of the company provides guiding principles for overall risk management, as well as policies covering specific areas i.e. foreign exchange risk, credit risk & Investment of Surplus liquidity.

The company's risk management is carried out by finance department, accordingly, this department identifies, evaluates and hedges financial risk.

#### A) Price Risk

The main Raw materials for manufacturing of Medical devices are various types of Plastic Granules i.e. PP, LDPE, HDPE, PC, PA, SAN, ABS and K. Resin etc. The

prices of Raw materials are mainly dependent on the price of Crude Oil. The majority of Raw materials are being imported by the Company and the few are procured indigenously. In case of imported Raw materials, the adverse forex movements are covered by the natural hedge. In case of the drastic price rise of Raw materials during the year, the Company makes appropriate changes in the prices of Finished Products, after due discussions with the customers. The prices of Finished Goods are generally reviewed every year and appropriate changes in prices are made to offset the increase in cost.

**B) Credit Risk**

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables

**Credit Risk Management**

The company has invested in fixed maturity plan and also in liquid mutual funds and have invested only with those funds plan having good credit rating / track record. The company reviews the creditworthiness of these counterparties on an ongoing basis. Another

credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customer to whom credit is extended in normal course of business. The company estimates the expected credit loss on the basis of past data and experience. The company also takes proper ECGC cover based on risk based classification of trade receivables.

The Geographical concentration of trade receivable (net of allowance) is as under:

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
India	3,272.03	3,928.60
Europe	3,398.72	2,684.95
USA	23.93	17.11
Others	6,017.03	6,207.60
	<b>12,711.71</b>	<b>12,838.26</b>

Review of outstanding trade receivables and financial assets is carried out by the management each quarter. The Company has a practice to provide for provision for doubtful debts on the basis of duly board approved policy on provision for bad & doubtful debts.

**Reconciliation of loss allowance provisions:**

Particulars	(₹ in Lacs)		
	Deposits	Trade receivable	Advances
Loss Allowance as on 1 April 2018	12.82	33.64	84.79
Change In loss allowance	(3.04)	(3.80)	(7.71)
Loss Allowance as on 31 March 2019	9.78	29.84	77.08
Change In loss allowance	(1.10)	0.74	20.42
<b>Loss Allowance as on 31 March 2020</b>	<b>8.68</b>	<b>30.58</b>	<b>97.50</b>

COVID-19: The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

**C) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rate. The company's main interest rate risk arises from long term borrowings with variable rates (LIBOR plus) which exposes the company to cash flow interest rate risk.

- i) Interest rate risk exposure - The exposure of the company's borrowing to interest rate changes at the end of reporting period is as follows:

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
Variable rate borrowing	11,792.74	5,401.09
Fixed rate borrowing	8,436.83	10,671.20
<b>Total</b>	<b>20,229.57</b>	<b>16,072.29</b>

The analysis by maturities is provided in note D “Maturities of Financed liabilities” below.

- ii) Sensitivity analysis: For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole year:-

Particulars	(₹ in Lacs)	
	Impact on profit before tax for the year ended	
	31 March 2020	31 March 2019
Interest rate- increase by 50 basis point	58.96	27.01
Interest rate- decrease by 50 basis point	(58.96)	(27.01)

#### D) Liquidity Risk

The company’s principle source of liquidity are cash & cash equivalent and cash flows that are generated from operations. The company believes that its working capital is sufficient to meet its current requirement. Additionally, the company has sizeable surplus funds in fixed maturity plan, liquid mutual fund and also in fixed deposit ensuring safety of capital and availability of liquidity as and when required hence, the company do not perceive any liquidity risk.

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
The company has working capital funds which Includes		
Cash and cash equivalent	485.74	431.76
Current investments in liquid mutual funds	1,592.21	26.76]
Bank balances	2,049.78	5,027.60
Trade receivable	12,711.71	12,838.26
<b>Total</b>	<b>16,839.44</b>	<b>18,324.38</b>

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

Particulars	(₹ in Lacs)	
	At at 31 March 2020	As at 31 March 2019
<u>Fixed</u>		
Cash credit and other facilities	3,657.25	3,987.57
<u>Variable</u>		
Other facilities	-	-

**Contractual maturities of significant financial liabilities are as under :**

Maturities of financial liabilities

Particulars	(₹ in Lacs)		
	Less than and equal to 1 year	More than 1 year	Total
<b>As at 31 March 2020</b>			
Trade payable	6,636.06	-	6,636.06
Other Financial liabilities	11,303.47	11,489.08	22,792.55
<b>Total</b>	<b>17,939.53</b>	<b>11,489.08</b>	<b>29,428.62</b>
<b>As at 31 March 2019</b>			
Trade payable	5,553.81	-	5,553.81
Other Financial liabilities	8,604.34	9,525.57	18,129.91
<b>Total</b>	<b>14,158.15</b>	<b>9,525.57</b>	<b>23,683.72</b>

**E) Market Risk****Foreign Currency Risk**

The company operates significantly in international markets through imports and exports and therefore exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD/Euro/GBP/JPY. The risk is measured through sensitivity analysis. In order to minimize any adverse effect on the financial performance of the company, financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk.

- (i) The company uses foreign exchange forward contracts to mitigate exposure in foreign currency risk. The foreign exchange forward contract outstanding at reporting date are as under: -

(in Lacs)

Particulars	Type	Currency	As at 31-03-2020		As at 31-03-2019	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	69.27	5,233.51	54.03	3,736.31
		EURO:INR	12.06	1,005.14	6.00	466.01
		GBP:INR	9.07	851.04	-	-
	Buy	EURO:INR	-	-	0.39	30.60
		JPY:INR	285.42	199.79	73.02	45.57

- (ii) Particulars of Unhedged Foreign Currency Exposure as at reporting date (Net exposure to Foreign Currency Risk)

(in Lacs)

Particulars	Currency	As at 31-03-2020		As at 31-03-2019	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR			21.78	1,506.05
	EURO:INR	(90.59)	(7,548.59)	(36.56)	(2,839.78)
	USD:INR			(18.49)	(1,278.79)
	EURO:INR			3.59	279.07
	GBP:INR	(2.39)	(223.79)	2.69	243.34
	CAD:INR	(0.05)	(2.41)	-	-
	LE.:INR	(9.44)	(45.46)	9.44	37.78
	SEK:INR	(1.51)	(11.53)	0.09	0.68
	JPY:INR	(639.31)	(449.83)	-	-
	AUD:INR	(0.01)	(0.35)	-	-
	SGD:INR	-	-	0.03	1.54

- (iii) Maturity of outstanding foreign exchange forward contracts

The details in respect of maturity of outstanding forward exchange forward contract are as given: -

(₹ in Lacs)

Particulars	Type	Currency	As at 31-03-2020	As at 31-03-2019
Not later than 3 months	Sell	USD:INR	870.68	1,385.21
		EURO:INR	213.59	-
		GBP:INR	165.25	-
	Buy	EURO:INR	-	30.60
		JPY:INR	199.79	45.57
Later than 3 months and not later than 6 months	Sell	USD:INR	2,023.46	1,210.13
		EURO:INR	499.92	155.34
		GBP:INR	258.01	-
Later than 6 month & not later than one year	Sell	USD:INR	2,339.36	1,140.98
		EURO:INR	291.62	310.68
		GBP:INR	427.79	-

(iv) The mark to market gain or loss on foreign currency are as under: -

(₹ in Lacs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Mark to market loss / (Gain) accounted for (Net)	334.68	(157.08)

## 37 CAPITAL MANAGEMENT

### a) Risk Management -

The company is cash surplus and has no capital other than equity. The Cash surplus are currently invested in fixed maturity plan, Liquid mutual funds and also in fixed deposit with banks. Safety of capital is of prime importance to ensure availability of capital for company's business requirement. Investment objective is to provide safety and adequate return on surplus funds. The company's adjusted net debt to equity ratio at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Gross borrowings	20,229.57	16,072.29
Less: cash and cash equivalents	485.74	431.76
Adjusted net debt	19,743.84	15,640.53
Total Equity	43,482.38	38,137.02
Adjusted net debt to equity	45.41%	41.01%

The company's total owned funds of ₹ 43,482.38Lacs with ₹ 19,743.84 Lacs as net debts is considered adequate by the management to meet its business interest and any capital risk it may face in the future.

### b) Loan Covenants

Under the terms of borrowing facilities, the company is required to comply with certain financing covenants and the company has complied with those covenants through out the reporting period.

### c) Dividend

(₹ in Lacs)

Particulars	As at	
	31 March 2020	31 March 2019
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-19 of ₹ 2 per equity share (31-Mar-18 ₹ 2)	1,764.94	1,764.54
Interim dividend for year ended 31-Mar-20 of ₹ 2 per equity share.	1,764.94	
Dividend tax	725.58	362.71

**38** The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 'Lease' which replaces existing lease Standard, Ind AS 17 leases and other Interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It introduces a single lease accounting model for lessees.

The Company has adopted Ind AS 116 effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to opening balance of retained earnings as on April 1, 2019.

On transition date i.e. April 1, 2019 the Company has recognised a lease liability measured at the present value of remaining lease payments. The right of use assets is recognised at its carrying amount as if the standard had been applied since the commencement of the lease but discounted using lessee's incremental borrowing rate.

Accordingly, right of use asset of Rs 402.22 lacs and a corresponding lease liability of Rs 524.97 lacs has been recognised. The cumulative effect on transition adjusted in retained earning as on April 1, 2019 amounted to Rs. 79.86 lacs (net of deferred tax of Rs. 42.89 lacs). The lease payments including interest have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in balance sheet at the date of initial application.

On application of IndAs 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for right to use asset and finance cost for interest accrued on lease liability.

The details of right of use asset held by the company is as follows:

The Following is break up of current and non-current lease liabilities as at 31st March 2020

Particulars	(₹ in Lacs)
	As at 31 March 2020
Current lease liabilities	104.02
Non-Current lease liabilities	328.32
	<b>432.34</b>

The following is movement in lease liabilities during the year ended 31 March 2020

Particulars	(₹ in Lacs)
	As at 31 March 2020
Balance at the beginning of the year 1 <sup>st</sup> April,2019	524.97
Addition during the year	-
Finance cost accrued during the year	43.49
Payment of lease liabilities (including interest)	136.12
<b>Balance at the end of the year 31<sup>st</sup> March,2020</b>	<b>432.34</b>

Particulars	(₹ in Lacs)	
	Additions for the year ended 31 <sup>st</sup> March 2020	Net Carrying amount as at 31 <sup>st</sup> March 2020
Building	-	309.40

Depreciation on right of use asset is Rs 92.82 lacs and Interest on lease liability for year ended 31 March 2020 is Rs 43.49 lacs

Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activities in ordinary course.

#### Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease charges as at 31 March 2020 on an undiscounted basis:

Particulars	Short term lease charges payable	Long term lease Charges payable	(₹ in Lacs)
			As at 31 <sup>st</sup> March 2020
Less than one year	67.5	138.75	206.25
Up to five year	-	365.22	365.22
More than five year	-	-	-

The company do not foresee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

Rental expense recorded for short term lease amounted to Rs.52.06 lacs and grouped as short term lease expense in Note No.32 " other expense"

### 39 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 "Related Party Disclosures" are as under:

#### A List of related parties and relationships

##### a Associate

- 1 Ultra For Medical Products (UMIC), Egypt

##### b Key Management Personnel & Relative

- 1 Mr. Himanshu Baid (Managing Director)
- 2 Mr. Rishi Baid (Joint Managing Director)
- 3 Mr. J. K. Oswal (CFO)
- 4 Mr. Avinash Chandra (Company Secretary)
- 5 Mr. Devendra Raj Mehta (Independent Director)
- 6 Mr. Prakash Chand Surana (Independent Director)
- 7 Mr. Shailendra Raj Mehta (Independent Director)
- 8 Dr. Sandeep Bhargava (Independent Director)
- 9 Mr. Alessandro Balboni (Additional Director)
- 10 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)
- 11 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)
- 12 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)

##### c Enterprises over which key management personnel and their relatives exercise significant influence

- 1 Vitromed Healthcare
- 2 Jai Polypan Pvt. Ltd.
- 3 Stilocraft
- 4 Polycure Martech Ltd.

**B Transactions with related parties**

(₹ in Lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
<b>Sales of Goods</b>	<b>801.54</b>	<b>869.99</b>			<b>1,141.07</b>	<b>1,642.80</b>
Ultra for Medical Products Egypt	801.54	869.99				
Vitromed Healthcare					1,141.07	1,642.80
<b>Purchases of Goods</b>	<b>-</b>	<b>-</b>			<b>11.30</b>	<b>-</b>
Ultra for Medical Products Egypt	-	-				
Vitromed Healthcare					11.30	-
<b>Job work</b>					<b>4,938.10</b>	<b>4,405.30</b>
Vitromed Health Care					4,938.10	4,405.30
<b>Rent received</b>					<b>0.20</b>	<b>0.20</b>
Virtomed Healthcare					0.20	0.20
<b>Rent paid</b>					<b>1.70</b>	<b>1.70</b>
Jai Polypan Pvt. Ltd.					1.70	1.70
<b>Dividend/ Governing Council Share Received</b>	<b>45.46</b>	<b>155.31</b>				
Ultra for Medical Products, Egypt	45.46	155.31				
<b>Advance From Associates</b>	<b>31.60</b>	<b>-</b>				
Ultra for Medical Products Egypt	31.60	-				
<b>Directors / Key Managerial Personnels' Remuneration including commission</b>			<b>1,251.53</b>	<b>937.54</b>		
Mr. Himanshu Baid			599.83	443.01		
Mr. Rishi Baid			583.82	432.69		
Mr. J. K. Oswal			57.48	52.72		
Mr. Avinash Chandra			10.40	9.12		
<b>Defined benefit obligations</b>			<b>43.27</b>	<b>15.20</b>		
Mr. Himanshu Baid			23.26	6.81		
Mr. Rishi Baid			18.76	7.78		
Mr. J. K. Oswal			1.07	0.54		
Mr. Avinash Chandra			0.18	0.07		
<b>Share based payment</b>			<b>0.33</b>	<b>0.93</b>		
Mr. J. K. Oswal			0.33	0.93		
<b>Salary and perquisites</b>			<b>106.48</b>	<b>53.04</b>		
Mr. Vishal Baid			106.48	53.04		
<b>Commission and Sitting fees</b>			<b>73.25</b>	<b>60.25</b>		
Mr. J. K. Baid			11.75	9.75		
Mrs. Mukulika Baid			11.75	9.75		
Mr. Devendra Raj Mehta			13.25	11.00		
Mr. Prakash Chand Surana			12.50	9.25		
Mr. Shailendra Raj Mehta			12.00	10.75		
Dr. Sandeep Bhargava			12.00	9.75		
<b>Management Fee</b>			<b>209.31</b>	<b>141.84</b>		
Mr. Alessandro Balboni			209.31	141.84		

**Outstanding balances at the year end**

(₹ in Lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
<b>Dividend / Share Governing Council outstanding</b>	<b>45.46</b>	<b>37.78</b>				
Ultra for Medical Devices	45.46	37.78				
<b>Directors' Remuneration / Salary payable</b>			<b>331.90</b>	<b>399.70</b>		
Mr. Himanshu Baid			161.23	196.19		
Mr. Rishi Baid			162.70	197.68		
Mr. Vishal Baid			4.33	2.43		
Mr. J. K. Oswal			3.10	2.84		
Mr. Avinash Chandra			0.54	0.56		
<b>Commission Payable</b>			<b>48.60</b>	<b>40.50</b>		
Mr. J. K. Baid			8.10	6.75		
Mrs. Mukulika Baid			8.10	6.75		
Mr. Devendra Raj Mehta			8.10	6.75		
Mr. Prakash Chand Surana			8.10	6.75		
Mr. Shailendra Raj Mehta			8.10	6.75		
Dr. Sandeep Bhargava			8.10	6.75		
<b>Management Fee &amp; Other Payable</b>			<b>13.99</b>	<b>16.71</b>		
Mr. Alessandro Balboni			13.99	16.71		
<b>Trade Receivable</b>	<b>495.29</b>	<b>623.61</b>			<b>26.96</b>	<b>71.05</b>
Virtomed Healthcare					26.96	71.05
Ultra for Medical Products	495.29	623.61			-	-
<b>Trade Payable / Payable for capital goods</b>	<b>-</b>	<b>-</b>			<b>406.30</b>	<b>420.06</b>
Virtomed Healthcare					406.30	420.06
Ultra for Medical Products	-	-				
<b>Advance from customer</b>	<b>31.60</b>	<b>-</b>				
Ultra for Medical Products	31.60	-				

**40 EARNINGS PER SHARE (EPS) OF ₹ 5/- EACH:**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Net profit after tax available for equity share holders (₹ In lacs)	9,587.79	6,539.91
<b>Basic Earnings per Share</b>		
Number of shares considered as Basic weighted average shares outstanding during the year	8,82,46,980	8,82,36,930
Basic Earnings per Share (in ₹)	10.86	7.41
<b>Diluted Earnings per Share</b>		
Weighted Average no. shares outstanding during the year	8,82,46,980	8,82,36,930
Effect of dilutive issue of stock options	34,378	10,050
Weighted Average no. shares outstanding for diluted EPS	8,82,81,358	8,82,46,980
Diluted Earnings per Share (in ₹)	10.86	7.41

## 41 EMPLOYEE BENEFIT:

As per Ind AS - 19 "Employee Benefits", the disclosures are as under:

### I Defined Contribution Plan - Provident Fund

The company makes contribution towards Provident Fund to Regional fund commissioner. The contribution payable by the company are at the rates specified in the rules of the scheme.

During the period, the company has recognised the following amount in statement of profit and loss (₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Employers' contribution to provident fund * #	583.46	407.42

\* included in "contribution to provident fund and others" under employee benefit expenses (refer note no. 28)

# excluding contribution to provident fund transferred to Research and Development Expenses ₹ 12.56 lacs (PY ₹ 8.37 lacs).

### II Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognised are as under:

#### a) Gratuity (Funded)

##### (i) Present Value of Defined benefit Obligation

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
<b>Obligations at year beginning</b>	<b>321.58</b>	<b>268.28</b>
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest expenses	24.60	20.47
Actuarial (gain) / Loss on PBO	(38.98)	(3.70)
Benefit payments	(24.91)	(14.36)
Addition due to transfer of employee	-	-
<b>Obligations at year end</b>	<b>333.23</b>	<b>321.58</b>

##### (ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	157.55	137.22
Actual return on plan assets	12.16	10.50
Less- FMC Charges	(0.90)	(0.81)
Employer contribution	18.00	25.00
Benefits paid	(24.91)	(14.36)
Fair value of plan assets at the end of the period	161.91	157.55

**(iii) Assets and Liabilities recognized in the Balance Sheet**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Present Value of the defined benefit obligations	333.23	321.58
Fair value of the plan assets	161.91	157.55
Amount recognized as Liability	171.32	164.03

**(iv) Defined benefit obligations cost for the year:**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest Cost	12.55	10.00
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	63.48	60.89

**(v) Amount recognised in Other Comprehensive Income (OCI)**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	38.98	3.70
Actuarial gain /(loss) for the year on Asset	(0.79)	(0.79)
Unrecognized actuarial gain/(loss) for the year	<b>38.19</b>	<b>2.91</b>

**(vi) Investment details of Plan Assets**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
The details of investments of plan assets are as follows:		
Funds managed by Insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

**(vii) Actuarial assumptions:**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Discount Rate per annum	6.92%	7.65%
Future salary increases	4.00%	5.50%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**(viii) Demographic Assumptions:**

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
i) Retirement Age (Years)	60.00	60.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
iii) Attrition at Ages	" Withdrawal Rate (%) "	
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**(ix) Amount recognized in current year and previous four years:**

(₹ in Lacs)

Particulars	Year ended				
	31-03-2020	31-03-2019	31-03-2018	31-03-2017	31-03-2016
Defined benefit obligations	333.23	321.58	268.28	260.83	194.65
Plan assets	(161.91)	(157.55)	(137.22)	(5.00)	-
<b>Deficit /(Surplus)</b>	<b>171.32</b>	<b>164.03</b>	<b>131.06</b>	<b>255.83</b>	<b>194.65</b>

**(x) Expected Contribution to the Fund in the next year**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Service Cost	65.87	64.39
Net Interest Cost	11.86	12.55
Expected contribution for next annual reporting period	77.73	76.94

**(xi) Sensitivity Analysis**

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

(₹ in Lacs)

Particulars	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	31-03-2020	31-03-2019	Impact	31-03-2020	31-03-2019	Impact	31-03-2020	31-03-2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(20.65)	(20.50)	Increase by	22.75	22.60
Future salary increases	0.50%	0.50%	Increase by	21.85	22.97	Decrease by	(19.91)	(21.00)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

**(xii) Maturity Profile of Defined Benefit Obligation**

(₹ in Lacs)

Sr. No.	Year	Amount
a	0 to 1 Year	23.92
b	1 to 2 Year	5.16
c	2 to 3 Year	7.00
d	3 to 4 Year	5.53
e	4 to 5 Year	7.13
f	5 to 6 Year	7.13
g	6 Year onwards	275.14

**(xiii) Risk exposure**

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- A) **Salary Increases:** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) **Investment Risk:** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**b) Leave Encashment (Unfunded)**

The Leave Encashment liability of ₹ 161.72 lacs form part of long term provision ₹ 143.67 Lacs (PY ₹ 106.06 Lacs) and short term provision ₹ 18.05 Lacs (PY ₹ 12.65 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

**42** Borrowing cost of ₹ 5.97 lacs (Previous Year ₹ Nil) have been included in capital work in progress.

**43 SEGMENT INFORMATION:**Description of segment and principal activity.

The company is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The company has regular review procedures in place and Managing director reviews the operations of the company as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

## i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Medical Devices	66,926.17	59,100.89
	<b>66,926.17</b>	<b>59,100.89</b>

## ii) Revenue as per geographical area (Ind AS 108, Para 33 (a) )

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
With in India	18,683.89	16,397.89
Outside India	48,242.28	42,703.00
	<b>66,926.17</b>	<b>59,100.89</b>

iii) None of the non-current assets of standalone company (other than financial instruments, investment in associates) are located outside India. The non-current assets of foreign subsidiaries (other than financial instruments, goodwill and investment) located outside India are as under:

**Country where assets are located**

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
China	488.29	487.50
Netherlands	0.97	1.14
Italy	198.02	162.33
	<b>687.29</b>	<b>650.97</b>

iv) None of the customers of the Group individually account for 10% or more sale.

**44 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2020	31 March 2019
a	The Gross amount required to be spent by the company during the year as per Section 135 of Companies Act 2013 read with Schedule VII	174.71	160.09
b	Amount spent during the year on :		
i	Construction / acquisition of any assets	-	-
ii	On purposes other than (i) above	237.72	153.84
c	Unspent amount in CSR	-	6.26
d	The breakup of expenses included in amount spent are as under:		
	<b>Particulars</b>		
	Animal protection	0.50	-
	On food relief activity	1.00	-
	On promoting education	43.31	17.55
	Social welfare	0.78	-
	On promotion of Healthcare	3.00	7.30
	Promoting gender equality & empower women	1.02	-
	Contribution to CSR Eligible Trust, Foundation & Society	188.10	128.99
	<b>Total</b>	<b>237.72</b>	<b>153.84</b>

## 45 SHARE BASED PAYMENTS:

The company has formulated “Poly Medicare Employee Stock Option Scheme, 2015 (ESOS 2015)” which was approved by the shareholders in the annual general meeting held on 28th Sep 2015, in accordance of which the ESOP committee of board of directors of the company held on 2nd June 2016 has granted ESOP to the eligible employees on the following terms and conditions:

- The vesting period is as under:
  - On completion of 24 months from the date of grant of Options - 50%
  - On completion of 30 months from the date of grant of Options- 50%
- The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of Rs.5 each was exercised during 2018-19 and balance 10,050 equity shares in 2019-20.

The company has also formulated “Poly Medicare Employee Stock Option Scheme, 2016 (ESOS 2016)” duly approved by the share holders in the annual general meeting held on 27th Sep 2016, in accordance of which the ESOP Committee of Board of Directors of the company held on 27th Sep. 2016 has granted 42950 equity shares to eligible employee on the following terms & Conditions:

All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting, failing which the option shall lapse, or such other date as decided by the compensation committee.

Provided, however that in case of cessation of employment, the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

On completion of 24 months from the date of grant of option: 50% vests.

On completion of 36 months from the date of grant of option: 50% vests.

### a Details of employees stock options granted under Poly Medicare Employee Stock Option Scheme, (ESOS 2015)

Financial Year (Year of Grant)	Number	Financial year of vesting	Exercise price	Fair value at Grant
2016-17	23500	2018-19	50	296

### b Details of employees stock options granted under Poly Medicare Employee Stock Option Scheme, (ESOS 2016)

Financial Year (Year of Grant)	Number	Financial year of vesting	Exercise price	Fair value at Grant
2019-20	42950	2021-22 2022-23	50	147

## c Movement of share options during the year

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	10,050	50	20,550	50
Granted during the year (ESOS 2016)	42,950	50	-	-
Forfeited during the year (ESOS 2016)	1,400	-	450	50
Exercised during the year (ESOS 2015)	10,050	50	10,050	-
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	41,550	50	10,050	50

## d Compensation expenses arising on account of share based payments

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Share based payment expenses to employees	13.89	18.69
<b>Total</b>	<b>13.89</b>	<b>18.69</b>

## e Fair value on grant date

The fair value on grant date is determined using Black Scholes Model which takes into account exercise price, terms of option, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted

Particulars	ESOS 2015	ESOS 2016
a Exercise price	50	50
b Grant date	2nd June 2016	3rd June 2019
c Vesting year	2018-19	2021-22 2022-23
d Share price at grant date	350	195
e Expected price volatility of the company share	20% to 25%	20% to 25%
f Expected dividend yield	1.18%	0.86%
g Risk free interest rate	6.50%	6.92%

The expected price volatility is based on the historic volatility.

## 46. Additional Information Pursuant to Schedule III of The Companies Act 2013:

Name of the entity	Net Assets		Share in profit (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount
<b>Subsidiary Companies</b>				
Poly Medicure (Laiyang) Co. Ltd, China	0.88%	380.67	0.70%	66.80
Polymed BV, Netherlands, (Consolidated)	7.89%	3,429.00	1.03%	98.80
Plan 1 Health India Pvt Ltd.	0.00%	0.67	0.00%	(0.33)
<b>Associate Company</b>				
Ultra for Medical Products, Egypt	-	-	2.23%	214.07

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 is Annexed.

**47.** During the previous year ended 31st March 2019, the company had invested a sum of Rs. 3417.79 lacs in Poly Medicure BV, Netherlands, where by Poly Medicure BV, Netherlands became wholly owned subsidiary company of the company. Poly Medicure BV Netherlands invested Rs.3348.36 lacs in Plan 1 Health Italy, where by Plan1 Health became step subsidiary of the company. The consolidated financial statement of Poly Medicure BV have been consolidated in the consolidated financial statements. Goodwill amounting to Rs.2858.11 Lacs have been created on consolidation. Goodwill of Rs 2858.11 Lacs has been (CGU) allocated to Plan 1 Health Italy business only. The estimated value in use of this CGU is based on future cash flows using a 20 % weighted annual growth rate for forecast periods of 5 years and discount rate of 9 % .An analysis of the sensitivity of the computation to a change in key parameters ( i.e. operating margin discount rate and long term average growth rate) based on reasonable assumption did not identify any probable scenario in which the recoverable amount of the CGU would decrease its carrying amount, accordingly, no impairment in value of goodwill on consolidation have been made.

As per Dutch GAAP (applicable to Polymedicure BV Netherlands) goodwill is measured at cost less accumulated amortisation and is amortised over useful life of 20 years whereas as per Ind AS, Goodwill is tested for impairment and not amortised. Suitable adjustment has been made in consolidated financial statements in this regard to follow uniform accounting policies applicable under Ind AS.

**48.** Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from 1st April,2020.

**49.** Previous year figures have been re-grouped and re-arranged wherever necessary to confirm to current year classification.

As per our report of even date annexed  
**For M C BHANDARI & Co. (Reg no.303002E)**  
Chartered Accountants  
Rabindra Bhandari  
Partner  
Membership No. 097466

Place : New Delhi  
Date : 05.06.2020

**For and on behalf of the Board of Directors**

Himanshu Baid  
Managing Director  
DIN: 00014008

J.K.Oswal  
CFO

Rishi Baid  
Joint Managing Director  
DIN: 00048585

Avinash Chandra  
Company Secretary

**Form AOC-I**

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013,  
read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries

**Part "A": Subsidiaries**

(₹ in Lacs)

1.	Sl. No.	1	2	3
2.	Name of the subsidiary	Poly Medicure (Laiyang) Co. Ltd., China	US Safety Syringes Co. LLC, USA	Plan1 Health India Pvt. Ltd.
		Audited	Management Certified	Audited
3	Reporting period for the subsidiary concerned	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CNY	EURO	Rupee
		1 CNY=10.6386 INR	1 EURO=83.324 INR	
5	Share capital	830.84	976.51	1.00
6	Reserves & surplus	(450.17)	2,452.49	-0.32
7	Total assets	1,173.62	4,868.58	1.00
8	Total Liabilities	792.95	1,439.58	0.32
9	Investments	-	-	-
10	Turnover	1,381.66	2,845.79	-
11	Other Income	5.72	12.08	-
12	Profit (Loss) before taxation	66.80	143.29	-0.32
13	Provision for taxation	-	44.49	0
14	Profit (Loss) after taxation	66.80	98.80	(0.32)
15	Proposed Dividend	-	-	-
16	% of shareholding	100%	100%	100%

**Part "B": Associates**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ in Lacs)

Name of Associates	Ultra For Medical Products Company (UMIC), Egypt
Latest audited Balance Sheet Date	31 <sup>st</sup> December 2019
Shares of Associate held by the company on the year end	
No.	96,600
Amount of Investment in Associates	88.67
Extend of Holding %	23%
Description of how there is significant influence	Holding more than 20% of share capital and participation in decision making process.
Reason why the associate is not consolidated	N.A.
Net worth attributable to Shareholding as per latest audited Balance Sheet	744.28
Profit for the year	
Considered in Consolidation	214.07
Not Considered in Consolidation	734.62



If undelivered, please return to:

**POLY MEDICURE LIMITED**

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Tel: +91-11-33550700, 26321838 / 99 / 89 / 93 / 81 Fax: +91-11-26321894/39

E-mail: [investorcare@polymedicure](mailto:investorcare@polymedicure) Web: [www.polymedicure.com](http://www.polymedicure.com)

Plants:

Unit-I : Plot No. 104-105, Sector-59, HSIIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana)

Unit-II : Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana)

Unit-III : Plot No. 17, Sector-3, I.I.E Sidcul, Haridwar-249403 (Uttarakhand)

Unit-IV : Plot No. PA010-019, Mahindra World City, (SEZ) Jaipur - 302037 (Rajasthan)

Unit-V : Plot No. 34, Sector-68, IMT, Faridabad-121004 (Haryana)